

FINAL REPORT TO
NATIONAL COUNCIL FOR SOVIET AND EAST EUROPEAN RESEARCH

TITLE: Soviet Relations with Latin
America in the 1970's

AUTHOR: Cole Blasier

CONTRACTOR: University of Pittsburgh

PRINCIPAL INVESTIGATOR: Cole Blasier

COUNCIL CONTRACT NUMBER: 621-7

The work leading to this report was supported in whole or in part from funds provided by the National Council for Soviet and East European Research.

Soviet Relations with Latin America in the 1970's

Executive Summary

In the 1970's the Soviet Union had normal diplomatic and commercial relations with all the larger and most of the smaller countries of Latin America for the first time in its history. Ties were established across the political spectrum except for the most right wing dictatorships. The USSR would like to establish diplomatic relations with Panama and probably later with Nicaragua and the Dominican Republic.

(estab. 10/18/79)

Politics. The Soviet Union has long needed its newly acquired presence in Latin America to exercise its influence as a world power on a global scale. Less important strategically to the USSR than countries along its periphery, Latin America is viewed as economically and politically more advanced than most countries of Africa and Asia. The USSR needs and buys what Latin America sells, and views the region as a potentially important market for Soviet exports. Ties with the region are also valued because of Latin American influence in the Third World. The USSR is attracted by the opportunities in intergovernmental and party politics offered by Latin America, a region within the U.S. sphere of influence where anti-Americanism is widespread.

Trade. Soviet trade with Latin America has increased about ten times during the decade. Most of the increase is due to Soviet purchases of consumer goods and non-ferrous metals. About two-thirds of Soviet imports from the area are from Argentina and Brazil. Soviet exports to Latin America are only a small fraction of imports, usually about one-fourth. As a result, the most prominent aspect of Soviet trade with the area is the large and stubborn trade deficit fluctuating between about 200 million and 500 million rubles a year. In some years the deficit with Latin America constitutes a large portion of the Soviet deficit world wide.

Soviet trading agencies have been working hard to expand Soviet exports to the area as the most effective way to wipe out the deficit and expand trade in general. Trade with Latin America, although much increased, is still less than 2% of Soviet trade. The USSR will finance on very favorable terms most Latin American purchases of Soviet machinery and equipment: 15% down and the balance paid off over ten years at about 5% interest. Since Latin Americans have been happy to sell but reluctant to buy, most credits remain unused. Soviet traders have been promoting big projects, hydroelectric and irrigation projects, large plants, trolley bus networks, and the like, in order to demonstrate Soviet products and technology. Countries with oil, more advanced industrial development, and close ties to Europe and the United States, such as Mexico and Venezuela, have been slowest to react to Soviet economic overtures. Peru and Argentina have responded best. In the longer run countries like Colombia, Ecuador, and Bolivia, as well as Peru, are likely to have needs that match Soviet offerings most closely.

Communist Parties. The Soviet commitment to the Communist Parties and the national liberation movements in Latin America remains undiminished. The parties are small and not growing rapidly. Their voting strength is usually only a few percentage points of the electorate and rarely reaches the 17% achieved under Allende in Chile.

The Soviet leadership, while approving in principle both the violent and parliamentary roads to socialism, is now emphasizing the latter. One reason is that the Communists have never had success in the region with armed revolt and the guerrilla movement in the 1960's were wiped out. The Communists are bitterly critical of Spanish and Cuban guerrillas who claim to be people friendly but can't make the real social revolution. The broader Soviet and Communist strategy is that the Communists should

seek a mass political following sufficiently strong to move the country toward socialism once control of government has been achieved. In order to build up that large following the Communists are now calling for civil liberties and free elections, not because these have ultimate value in themselves, but as a transitional framework in which they can best grow. In most countries, the Communists are calling for the formation of broad popular or national fronts to oppose imperialism and local oligarchies. Allende's experience in Chile is cited as proof that progress can be made using the parliamentary road. Referring to Chile, Brezhnev has also pointed out that force is sometimes needed to defend the revolution against counterrevolutionary violence.

Policy Implications. As a result of its large and growing official presence, the Soviet Union is now in a better position than ever before to protect and advance its interests and profit from U.S. mistakes in the region. U.S. diplomacy will need to take more care than in the recent past when the other great powers in the area were friendly. This applies particularly in societies undergoing rapid social change like Nicaragua, Jamaica, and Guyana.

The expansion of Soviet diplomatic and economic relations is increasing the weight of Latin America in the Soviet bureaucracy. The area used to be mainly a concern of the international Communist movement, and thus of the Soviet Party as distinct from government officials. Now many branches of the Soviet government are involved in operations in Latin America and have growing interests there. As a result, future Soviet decisions regarding the area are likely to be more responsive to Soviet state interests than they have in the past.

The interests of the Soviet state in bilateral political and economic relations may conflict with the interests of the local Communist Parties in Latin America as in other regions of the world. The expanded Soviet official presence may have the effect of moderating the strategies of the local Communist parties. My guess is that it already has in some countries and that it will in others, particularly where Soviet official ties are relatively close and the Communist parties are weak. In the future, however, the current trend discouraging violence may be reversed in some countries. As a result, there may be greater contrast in Communist strategies between countries than in the past. For example, the Communists may work devotedly within the political framework of some countries, while seeking to overthrow the government by force in others. The more democratic countries are likely to prevail in the first group, and dictatorships in the second. In such situations, the pressure on U.S. policy makers to make an anti-Soviet response, almost like a conditioned reflex, may be so great that it will be difficult to give due weight to concrete U.S. interests and values.

Soviet Relations with Latin America in the 1970's

Table of Contents

I.	Introduction	I- 1
II.	The Growing Soviet Presence - Political Relations	II- 1
	From Ostracism to Acceptance	II- 1
	Soviet State Interests	II- 6
	The Enlarged Soviet Presence	II- 9
	Mexico	II-11
	Argentina	II-16
	Brazil	II-19
	Chile	II-25
	Peru	II-30
	Other Countries	II-34
III.	The Stubborn Trade Deficit - Economic Relations	III- 1
	Trade Structure	III- 5
	Trade Composition	III-10
	Trade Promotion	III-11
	Export Prospects	III-15
IV.	Which Way to Socialism? - Party Relations	IV- 1
	Soviet Doctrine	IV- 1
	International Organization	IV- 4
	Communist Armed Struggles	IV- 8
	Castro vs. Moscow	IV-15
	Lessons of Chile	IV-18
	Current Strategies	IV-20
V.	Conclusions	V- 1

Tables

II.1	Soviet Diplomatic Relations with Latin America	II- 2
II.2	Soviet Trade with Chile	II-29
III.1	Soviet Trade Deficit	III- 2
III.2	Soviet Imports from Latin America	III- 3
III.3	Soviet Exports to Latin America	III- 4
III.4	Soviet Trade with Argentina	III- 7
III.5	Soviet Trade with Brazil	III- 8
III.6	Soviet Exports of Machinery Equipment and Transport to Latin America	III-11
IV.1	The Pro-Soviet Communist Parties of Latin America - Membership . . .	IV- 9
IV.2	The Pro-Soviet Communist Parties of Latin America - Electoral Strength	IV-10

I

INTRODUCTION

My purpose here is to give greater attention than in previous scholarly studies to Soviet state interests with respect to Latin America. Two of the three core chapters of this report deal with bi-lateral political and economic relations. The concluding chapter on the international Communist movement emphasizes the role of Moscow rather than the activities of the local Communist Parties.¹ Soviet relations with Cuba have been treated extensively elsewhere² so this report concentrates on Soviet relations with the rest of Latin America.

My work relies more heavily on recent Soviet sources than any work with which I am acquainted.³ I had a unique opportunity in early 1979 to spend four months in Moscow studying this subject. I worked at the Library of the Institute of Latin America and had access to other Moscow libraries. I interviewed dozens of Soviet specialists and officials concerned with Latin America and had free access to published materials. I had no access to confidential materials. The Soviet specialists I interviewed were uniformly polite, friendly, and guarded in their conversations.

Chapter II of this report discusses political relations in regional and bilateral terms. Chapter III deals with economic relations. Chapter IV discusses Moscow's relations with the Latin American communist parties. The Table of Contents indicates the various topics treated in each chapter.

Soviet relations with Cuba comprise a separate subject on which I will resume work in the near future. In the meantime, readers might be interested in my two chapters in Cole Blasier and Carmelo-Mesa-Lago, eds. Cuba in the World, University of Pittsburgh Press, 1979. The first chapter deals with Soviet Cuban relations as they relate to U.S. interests and the other describes the Soviet role in Cuban economic development. Space also does not permit much historical treatment here. My, The Hovering Giant (University of Pittsburgh Press, 1976) discusses the Soviet

relationship to the Bolivian, Guatemalan, and Cuban revolutions and the Dominican revolt.

I do not analyze the Soviet relationship to the Nicaraguan revolution because time has not permitted me to do justice to this subject. Analysts who have been following developments in Nicaragua on a day to day basis should be in a better position to do that. Except for two lengthy articles in Soviet scholarly journals about Nicaragua, there was not much in the Soviet Press. Little Soviet interest in the subject was in evidence during my stay but it is unlikely that a foreign visitor would have known about such interest anyway.

Soviet Latinamericanists and Latin American diplomats in Moscos were most helpful to me. Detailed acknowledgement must await a later version of this report.

Notes

1. Studies of the Communist parties include: Luis E. Aguilar, ed., Marxism in Latin America, Philadelphia, 1978; Robert J. Alexander, Communism in Latin America, New Brunswick, 1957; D. Bruce Jackson, Castro, The Kremlin, and Communism in Latin America, Baltimore, 1969; Boris Goldenberg, Kommunismus in Lateinamerika, Stuttgart, 1971; Rollie Poppino, International Communism in Latin America 1917-1963, New York, 1964; Harry H. Ransom, The Communist Tide in Latin America, Austin, 1972; William E. Ratliff, Castroism and Communism in Latin America, 1959-1976, Washington, D.C., 1976. Studies of Communist Parties in individual countries are too numerous to mention here.
2. Wolfgang Berner, Die Sowjetische Lateinamerika Politik 1919-1973, Cologne, 1973; Leon Gouré and Morris Rothenberg, Soviet Penetration of Latin America, Miami, 1975; Jacques Levesque, The USSR and the Cuban Revolution, Soviet Ideological and Strategical Perspectives, 1959-77, New York, 1978; and J. Gregory Oswald and Anthony J. Strover, eds., The Soviet Union and Latin America, New York, 1970.
3. Some books dealing with Soviet policy to the area as a whole include: T. S. Cheston and B. Loeffke, Aspects of Soviet Policy Toward Latin America, New York, 1974; Stephen Clissold, ed., Soviet Relations with Latin America 1918-1968, A Documentary Survey; Herbert S. Dinerstein, "Soviet Policy in Latin America", American Political Science Review, March, 1967; Roger Hamburg, The Soviet Union and Latin America, 1953-1963, Ph.D. dissertation, University Microfilms 1965; Carlos Muñiz Ortega, La USSR y América Latina, Lima, 1968; and James D. Theberge, The Soviet Presence in Latin America, New York, 1974.

II

THE GROWING SOVIET PRESENCE

Political Relations

The Soviet Union did not achieve normal diplomatic and commercial relations with most Latin American states until the 1970's. Before World War II the USSR had relations with only two Latin American Governments, Mexico (1924-1930) and Uruguay (1934-1935). Many Latin American countries established relations with Moscow at the end of World War II, but most broke relations by the early 1950's. Only three countries sustained relations with Moscow throughout the post World War II period: Mexico, Uruguay, and Argentina. (See Table II.1)

Now, in the 1980's, the Soviet Union has diplomatic and commercial relations with all the leading countries of Latin America and with most of the smaller countries. The presidents of Mexico, Venezuela, Jamaica, and Guyana have visited the USSR and there is a steady stream of visitors on economic, cultural and political business in both directions. The Soviet Navy has made many visits in the Carriibbean and the Soviet Airlines, Aeroflot, makes almost daily flights to Havana, Mexico City, or Lima. The Soviet Union has established a greater presence in Latin America than at any previous time in history. Here is how this state of affairs came about.

From Ostracism to Acceptance. The Soviet Union had relatively little contact with most of Latin America from 1917 until the 1960's, more than forty years. Why was the Soviet Union excluded from the area for so long? The Soviet and Latin American Communists charge that U.S. imperialism blocked the establishment of Soviet ties in the area. What they mean is that the U.S. leaders working through dependent governments in Latin America were able to prevent the establishment of diplomatic ties.

The Latin America governments who did not recognize the USSR had little to say on the subject. The few governments which established relations early with Moscow broke

Table II.1

Soviet Diplomatic Relations with Latin America

	1917	1945	1959	1979
Mexico	24—30	42		
Guatemala		(45)		
Costa Rica		(44)		70
Cuba		42	52	60
Dominican Republic		(45)		
Jamaica				75
Guyana				70
Grenada				79
Venezuela		45	52	70
Colombia	(35)	43	48	68
Ecuador		(45)		69
Peru				69
Bolivia		(45)		69
Chile		44	47	64—73
Argentina		46		
Uruguay	(26) 34-35	43		
Brazil		45-47		61

Note: Parentheses indicate date of recognition but no representatives exchanged

relations after a relatively short time. Several explained the break by charging the USSR with responsibility for the subversive activities of local Communist parties. Mexico and Uruguay broke diplomatic relations in 1930 and 1935 respectively citing subversive activities of the local Communist Parties: the offices of the Soviet trading agency in Buenos Aires, Tuzhamtorg, were closed partly on charges of involvement in Communist activities in South America. After World War II several governments, such as the Colombian and Chilean, broke relations with Moscow alleging the latter's involvement in subversive activities. Their main targets were the local Communists; charges against Soviet officials were sometimes hazy.¹

During the interwar and cold war periods, many Latin American governments were controlled by military and civilian leaders who perceived Communists and other leftists as threats to their dominant position. Where the Communists were too weak to be a threat, the suppression of the left served as a pretext for concentrating more power in the existing government. Since the Communists freely admitted their political ties with the USSR, the government's charges of Soviet complicity and refusal to have relations with the USSR were widely accepted whether there was complicity between the parties and Moscow or not. The classic Soviet defense that the Soviet government had no responsibility for the international communist movement fell on incredulous ears since most government leaders in the West considered both organizations were controlled by the same group.

The Communists' charge that the U.S. government discouraged Latin American governments from maintaining relations with the USSR may have been true, at least in part. Certainly the global, regional, and national power structure in the West stood against power structures in the socialist world. Strictly speaking, U.S. official involvement would need to be proved in each case, and it seldom was. The Communists' charges probably had some color but were exaggerated. In my view, domestic politics, in which entrenched leaders used the Communists and the USSR as whipping boys, were more persuasive reasons for the long time Soviet isolation than foreign pressures.

Finally, it might be argued that the USSR did not have closer relations with Latin America because the Soviet Union in an economic sense didn't have much to offer. True, the Soviet Union was not then able to carry on a brisk trade with all Latin American countries simultaneously. Yet, the USSR was probably able to trade far more with Argentina and Uruguay even in the 1920's than local circumstances permitted. In fact, the USSR was charged with dumping oil in Argentina at the time the Soviet trading agency's offices in Buenos Aires were shut down. The impetus to the commercial break was provided by influential domestic and foreign interests whose business would have been hurt by continuing Soviet oil sales to Argentina.

After 1945 the USSR became a superpower with global interests and responsibilities which it gradually began to exercise. Latin America, where the Soviet Union was ostracized, was a world area largely beyond the reach of Soviet political and economic influence. The absence of diplomatic relations with many countries was more than just a formality. In the West private organizations or individuals deal directly with foreign countries. In the USSR, political, economic, and cultural ties are virtually impossible without formal inter-governmental agreements. Such agreements are essential to activate the Soviet bureaucracies which have exclusive competence within their field of responsibility in international relations.

The 1960's were the turning point in Soviet relations with Latin America. Castro established diplomatic relations with the USSR in 1960 as an important means of countering U.S. measures to overthrow him. The Goulart government in Brazil established relations in 1961. Eduardo Frei of Chile exchanged diplomatic representatives with Moscow in 1964 for reasons of domestic and foreign policy. In the meantime, however, there were important developments discouraging such actions. The Cuban Missile Crisis of 1962 was one; the guerrilla operations in the hemisphere were another.

By the late 1960's tensions over many of these issues had subsided. Cuba was not only more secure in the Caribbean but Castro had also stopped supporting guerrilla operations in the Americas. The pro-Soviet communist parties appeared rather clearly

to prefer the formation of popular fronts and electoral participation to armed struggle.

Global trends also facilitated rapprochement: détente, SALT, and the Helsinki agreements were their symbols. Finally, and perhaps most important, U.S. officials and private interests have been disengaging in Latin America, and Latin American governments are taking more aggressive and independent steps to promote their own interests. Not only are they seeking to diversifying their political and economic relations with Western Europe and Japan, but now also to open up new economic opportunities with the socialist countries of Eastern Europe.

Between 1968 and 1970 the Soviet Union exchanged diplomatic representatives with five Andean countries: Bolivia, Colombia, Ecuador, Peru, and Venezuela. In the 1970's relations were established in and around the Carribbean with Costa Rica, Grenada, Guyana, and Jamaica. The USSR does not have diplomatic representation with the Central American nations (except Costa Rica), Haiti, the Dominican Republic, and Paraguay. The USSR probably is not interested in establishing relations with the dictatorships in Guatamala, El Salvador, and Honduras, nor with the dictatorships in Haiti and Paraguay. The USSR broke with the military dictatorship in Chile a few days after Allende's fall in 1973.

The Soviet Union might establish relations with the Dominican Republic but there would need to be a very clear signal from the Dominican end. The one country with which the USSR most particularly would like relations is Panama because of the political complexion of the government, its strong anti-imperialist stance, and its strategic situation.² The Panamanian leader, General Torrijos, was reluctant to establish relations with the USSR during the Canal crisis. The USSR probably will want diplomatic relations with the new government in Nicaragua as soon as local and international conditions permit.

In most of the established bilateral relationships the USSR played the role of suitor: first to secure recognition of the Soviet state; second to exchange

diplomatic representatives; and finally to establish economic and cultural as well as political relations. The USSR did not ordinarily make ideological or political criteria conditions of diplomatic and commercial relations following the policy of relations between states irrespective of differences in social systems.

Cuba may have been the one exception where the USSR was more the wooed than the wooer. Castro desperately needed to sell Cuban sugar to the USSR and receive Soviet oil and arms. In other cases, the Soviet Union made known its interest in relations without wanting to seem too eager, expecting the Latin American government, in the formal sense, to speak first. The USSR appears to have been happy to exchange diplomatic representatives with almost any Latin American government that would do so. Only Trujillo, on his last legs, was discouraged.³ This is not to say that the USSR would establish relations with dictatorships of the likes of Somoza or Stroessner, but such governments were not interested either. And it is significant that the USSR put such a high value on its relations with Brazil and Bolivia that when repressive anti-Communist dictators took over in 1964 and 1971, respectively, relations were not broken.

Soviet State Interests. What then are Soviet state interests in Latin America as distinct from the interests of the international communist movement? For one thing the Soviet Union needs and wants an official presence in the hemisphere, particularly in the most important countries, like Mexico, Brazil, Argentina, and Venezuela. That presence is important for gathering information, establishing channels of communications for influencing developments in the area. And it also provides a firmer basis for Soviet participation in Third World, United Nations, and other forums. Diplomatic relations with most of the nations of the world, including those in Latin America, have been essential to legitimize the Soviet role as a Great Power.

The Soviet Union's most immediate interest in Latin America is trade. The USSR needs many of the region's agricultural products and has a huge annual deficit with the area. That means that the USSR seeks to sell the area Soviet materials and

manufactured goods to pay for these imports. Argentina is the prime market because it has so much of what the USSR wants and also has the capacity to absorb Soviet manufactures. Uruguay and Brazil are other favored candidates but political tensions with these countries have hampered trade.

The Andean countries, especially Peru and Bolivia, represent opportunities to demonstrate Soviet capacities for promoting economic development. Here, the Soviet authorities may perceive a potential for influencing these governments' policies. The Soviet impact no doubt could be greater than in the far larger, richer, and less easily manipulated countries like Argentina and Brazil.

Jamaica and Guyana also need foreign assistance, particularly in refining and selling alumina. Government leaders in both societies favor socialism and have more in common politically and ideologically with the USSR. Yet, one senses a certain Soviet caution here particularly with respect to large credits. This may be due partly to Soviet concern about the two governments' capacity to repay. Or, it may relate to a Soviet desire not to cause American concern now about Soviet involvement in two small countries near the United States. The Soviet Union has sold hundreds of millions of dollars of military equipment to Peru and it seems likely that such equipment has also been offered, if only informally, to Argentina and Mexico. The most immediate gain from such sale would be hard currency which the USSR can surely use. In the case of Peru, however, the government was forced to request a moratorium on payments to the USSR, which deprives the sale of its balance of payments advantages. The extent to which the sale of even that much equipment provides the USSR with important political benefits is questionable. Most Peruvian military equipment is still from the United States and Western Europe.

The USSR has also attributed much political importance to its long and friendly ties with Mexico. Close relations with a large and important Latin American country sharing such a long border with the United States provides continuing benefits in the present and insurance for the future. No doubt it prizes its relations with Mexico

as the United States does its relations with Poland.

The USSR also has much to gain by maintaining easy communications with Mexico and Venezuela as two leading Third World countries. The Soviet Union has done little business with either Mexico or Venezuela and the prospects are limited. Nonetheless, Soviet officials work hard to strengthen economic relations with both countries as a means of reinforcing political relations.

Diplomatic relations with governments in South America, Central America and the Caribbean legitimizes and facilitates Soviet naval visits throughout hemispheric waters. The Soviet Union has cooperated with local fishing fleets in Chile, Peru, Mexico, and cooperation is underway or planned in many other countries. In fact, fishing is among the economic sectors in which Soviet specialists can provide the best technical assistance. Obviously, collaboration in fishing and naval visits serves intelligence and strategic purposes in distant waters.

The Soviet authorities do have a preference for the more "progressive" and "anti-imperialist" governments. Since the fall of Allende, the Peruvian and Panamanian military governments have been their favorites followed closely by Jamaica and Guyana. Democracies, such as Venezuela and Colombia, are clearly preferred over military dictatorships of the repressive sort, such as in Brazil. Possibly because of economic relations and also because of the character of the government itself, the Videla regime in Argentina has received little Soviet criticism.

In the perspective of history, the USSR's greatest interests have been and are in Mexico and Argentina. The relations with Mexico have been based primarily on complementary political interests. Both governments have common revolutionary traditions, though these are different in kind, and Mexico was the first country in the Americas to recognize the new Soviet government in 1924. Mexico, which broke relations with the Soviet government in 1930, was one of the first governments to establish, that is reestablish, diplomatic relations with the USSR in World War II, in November 1942. Unlike many other countries, Mexico did not break relations during

the cold war and has uninterrupted contact longer than any other Latin American country. Cultural relations with Mexico have also been active. Although there have been many efforts to stimulate trade, the results so far have been disappointing.

Argentina has long been the major center of Soviet trading efforts in Latin America beginning with foreign trade agency Amtorg and Iuzhamtorg in the late 1920's. Argentina established relations with the USSR in 1946 later than many other countries because of its links to the Axis in World War II. But Argentina maintained uninterrupted diplomatic contact thereafter. The main common interest has been trade, which has been greater than Soviet commerce with any other Latin American country (except Brazil in the mid-1970's).

The Enlarged Soviet Presence. The Soviet Union now has official ties and diplomatic missions in all the major Latin American countries and in most of the smaller ones. The Soviet Union, if Grenada is included, has 13 embassies in Latin America, other than Cuba. Together this adds up to a substantial diplomatic contingent. In addition to regular diplomatic officers, there are also trade representatives from the Ministry of Foreign Trade and technical assistance personnel, the latter sometimes found in large numbers at project sites. The USSR also has agreements for the exchange of military attachés with Peru, Argentina, and Mexico.⁴

Cultural relations are systematically fomented with athletic teams, performing arts groups, and exhibitions visiting Latin American countries. The Soviet Union maintains binational cultural institutes in nine of the countries with which it has diplomatic relations. The USSR finances the training in the Soviet Union of about three thousand Latin American students, probably one of its most important programs with Latin America in the long term.⁵ Significantly, very few Soviet students study in Latin America. Nor does there seem to be official impetus to establish such programs on a grand scale.

The recent establishment by Aeroflot of weekly or better service to Mexico City and Lima, as well as to Havana, greatly facilitates Soviet activities in Latin

America. Many seats are reserved for diplomatic and trade officials. But the flights also permit visits by scientists, scholars, and artists who could not come to the Americas if payment were required in hard currencies. Also, there are now regular visits of carefully selected tourists who fan out to other countries from Lima and Mexico City.

An important result about the enlarged Soviet presence in Latin America is rapidly growing Soviet sophistication about the area. I first started reading Soviet sources on Latin America about thirty years ago;⁶ these were naive and often based on English language sources. Today Soviet scholars are well informed and use the same sources as scholars in the West. Specialists continue to be needed to work in and on the area so that training continues and there a purpose for studying Spanish. Soviet policy can now be made on the basis of far better information than in the past.

Parallel to Soviet developments is a growing understanding of the Soviet Union in Latin America. There are now twelve Latin American Embassies in Moscow ranging from one to about sixteen diplomatic officers, many of whom travel not only in the USSR but in Eastern Europe as well. My own impression, based on brief acquaintance, is that while they are far better informed than most Latin Americans about Soviet problems and points of view, these diplomats quickly gain realistic impressions of the USSR and seldom become proponents of the Soviet cause.

Perhaps an important yet unremarked result of the enlarged Soviet presence in Latin America is the integration of Latin American interests and personnel in the Soviet bureaucracy. A growing number of Soviet officials with Latin American experience and/or specialization are now in the Ministry of Foreign Affairs, the Ministry of Foreign Trade, State Committees, other agencies, and, of course, the Party.

In the past the member of the Politburo, responsible for the Party's international relations, now Boris Ponomarev, was about the only person with Latin American affairs of any consequence within his jurisdiction. Now, for example, the diplomatic missions under Politburo member and Foreign Minister Gromyko and all the various

government operations under Politburo member and Chairman of the the Council of Ministers Kosygin give them legitimate interests in the area. As a result, Gromyko and Kosygin can fully justify speaking out in the few cases when Latin America comes up at Politburo meetings. Latin America is no longer just a concern of the Party; there are vested interests of the government as well.

There follows brief treatments of the bilateral relations of the USSR with a number of Latin American countries.⁷

Mexico. The Soviet Union has had diplomatic relations with Mexico longer than with any other country in Latin America. Relations are also probably closer with Mexico than with any other Latin American government except the Castro government in Cuba, the Allende government in Chile, and probably the former Velasco government in Peru.

Yet, the Mexican government has never been dominated or importantly influenced by the Mexican Communist Party; nor can it ever have been properly characterized as pro-Soviet in the usual sense of that term. Curiously, the Cárdenas government, probably the most leftwing or socially "progressive" of all Mexican governments, refused to reestablish diplomatic relations with Moscow in the 1930's.

The reason for the relatively durable character of this bilateral relationship may be found in Mexico's relations with the United States. Mexico is acutely conscious of its physical vulnerability to its powerful northern neighbor. That vulnerability is symbolized by the Mexican War (1845-48) and Mexico's dependence on U.S. markets, investments, and tourism. As a result, Mexico has a traditional policy of maintaining access to Great Powers outside the hemisphere as a counterweight to U.S. influence. In World War I and again on the eve of World War II Mexico kept open its channels of communication with Germany and conducted an independent policy towards Germany which had, from the Mexican point of view, a salutary effect on U.S. policy towards Mexico.

Since 1945 the USSR has superceded Germany as the United States' main rival.

As a result, Mexico has seen fit to maintain relations with the USSR throughout the entire postwar period, the only Latin American country other than Uruguay and Argentina to have done so. Mexico's ties with the USSR have not been such as to pose any serious threat to the United States, nor have they been intended to. They have kept Mexico's options demonstrably open. Mexico's independence was also strongly reiterated by remaining the one nation in the hemisphere not to break diplomatic relations with Castro's Cuba.

Soviet and Mexican ideologies have much in common in form even though their historical origins and context are different. Mexican experience with the United States has made anti-imperialism an important thread of doctrine and policy. Mexico's record of opposition to Mussolini and Hitler reflects her anti-fascism. Like the USSR, Mexico was among the most ardent supporters of the Spanish Republic against Franco.

Mexico, too, has her own revolutionary traditions with a history of political action and political rhetoric in favor of workers and peasants. Like the USSR, Mexico has been dominated by one party since the revolution. This has provided a continuity of domestic and foreign policy unmatched elsewhere in Latin America, which accounts in part for the relative stability of the Soviet-Mexican relationship. In the cold war period, when the USSR was an anathema in much of the West, Mexico permitted the Soviet Embassy to remain in Mexico City.

Moscow has long used Mexico City as a base for expanding its diplomatic, cultural, and political activities in the Caribbean and South America. Soviet cultural relations with Mexico have, perhaps, been more active than with any other Latin American government other than Cuba. Many Soviet writers and artists made their first visits to the hemisphere there and went on from Mexico City to other countries. And, before Castro, Mexico City has also served as an international headquarters for Communist parties in the region. Significantly, Soviet trade with Mexico is less than with other governments with whom the USSR has cordial political relations.

Mexico may also serve as a home for Soviet intelligence operations against the United States and other American countries.⁸

The Mexican authorities who deal with the USSR are rarely communist; many have views which are decidedly not Marxist. However, the relationships appear to be fairly active and collaborative, if not intimate. For the most part, the Soviet side probably does the wooing and accepts the incidental benefits in the relationship. The Mexicans are fully aware of what is happening, control the relationship closely, and are probably pleased with the results. The two governments deal with one another on the basis of what appears to be a fairly durable sharing of limited common interests.

Among the most colorful periods in Soviet relations with Latin America is the 1920's when the Bolsheviks were attempting to establish a foot hold in Mexico. This period is richly treated in Soviet, Mexican, and American sources.⁹ Dramatic personalities strode across this stage. For the USSR, Michael Borodin, a founding father of the Communist international; Alexandra Kollontai, a revolutionary leader and Ambassador; Vladimir Mayakovsky, the flamboyant revolutionary poet. For the Mexicans there were such personalities as Presidents Carranza and Cárdenas; Luis Morones, the labor leader; and Jesús Silva Herzog, the academician and sometime Mexican Ambassador to Moscow.

The Soviet Union had three ambassadors in Mexico City between 1924 and 1930. Ambassador Kollontai was popular but the other two ambassadors irritated the leading pro-government labor federation and were accused of interfering in domestic Mexican politics through the local Communist Party. In the late 1920's when the government swung to the right and began suppressing its leftist opposition, the Communist international raised a hue and cry. For this the Mexicans held the USSR responsible and refused to accept the Soviet foreign office's formal disclaimers of responsibility. The Soviet Ambassador was ridden out of town on a rail, so to speak, his treatment being so bad that Mexico's refusal to apologize was a barrier to the reestablishment of relations in the 1930's. Another source of friction was President Cárdenas'

befriending of Stalin's enemy, Leon Trotsky. Mexico and the USSR took similar positions against the Axis but when Cardenas refused to sanction the Nazi-Soviet Pact of 1939 and sympathized with the Finns in their war with USSR, it was clear the similarities of their earlier policies were purely coincidental.

The Nazi attack on the USSR of June 1941 set the stage for a resumption in diplomatic relations between the USSR and many Latin American countries. Mexico was the second such country to act, restoring diplomatiois in November 1942. K. A. Umanskii, the former Soviet Ambassador in the United States, was assigned to the post in Mexico City. The Mexicans received him warmly and he responded in kind, recreating for a short time, the élan and excitement the Soviet Embassy had caused in Mexico under Kollontai in the late 1920's. Perhaps, the high point of his short assignment was an address he delivered in Spanish to a joint session of the Mexican congress. Umanskii was killed in a plane crash in Mexico in January 1945.

When the cold war began in the late 1940's, most Latin American governments broke diplomatic relations with the USSR. Mexico and Argentina were the two most important governments not to do so. Nonetheless, during most of these years relations between the USSR and Mexico were largely a formality. Soviet authors who have written about Soviet-Mexican relations have virtually nothing to say about this period.

When relations between East and West began to thaw in the late 1950's, symbolized by the spirit of Camp David, the Soviet Union once again turned to Mexico to inaugurate its diplomatic offensive in Latin America. On the heels of the sputnik triumph, the USSR mounted an exhibition in Mexico City of Soviet achievements in science, technology, and culture. A. I. Mikoyan, as First Deputy Chairman of the Council of Ministers, led the Soviet delegation. On his return from Mexico he stopped in Havana to establish the first high level Soviet contact with Fidel Castro.

Since that time Mexico has been at the forefront of Latin American countries in establishing bi-lateral contacts with the USSR. The Mexican Foreign Minister

visited Moscow in 1968, President Luis Echeverría in 1973, and President Lopez Mateos in 1978. The accords achieved on these visits were agreements on cultural and scientific exchange, on trade, and on scientific and technical cooperation respectively. Parliamentary, trade union and other delegations have been exchanged. During the Lopez Portillo visit, the USSR announced its decision to sign Protocol II of the Treaty on the Prohibition of Nuclear Weapons in Latin America, an act which attracted attention due to the absence of Cuban adherence to the Treaty. Several days later Pravda reported that the Mexican authorities had taken steps to remove obstacles to the legalization of the Mexican Communist Party. Mexico is also one of the few Latin American countries to have a formal agreement for cooperation with the Council of Mutual Economic Assistance, signed in 1975.

The most persistent and resistant problem in Soviet-Mexican relations has been the strengthening of economic ties. Since the Mikoyan visit in 1959, the two governments have sought to increase trade and contact at all levels. Considering the political importance of Mexico and the size of the Mexican economy, Soviet commentators have mentioned time and again the insufficiency of that trade. In 1976 the USSR exported 6.9 million rubles to and imported 11.1 million rubles from Mexico. In 1977 the figures, respectively dropped to 1.2 and 1.7 million rubles. Preliminary figures for 1978 indicate a recovery but only to about the 1976 level.¹⁰ As early as 1964 the USSR and Mexico exchanged groups of oil specialists, and the USSR thereby had an early chance to assist Mexico in the current oil boom. Petroleos Mexicanos secured 10 oil drilling rigs and other equipment at that time. In spite of intermittent contact ever since the USSR has not placed any large sales of equipment for the oil industry in Mexico.

The USSR has also been attracted to Mexico because of the latter's independent foreign policy, particularly in relations with the United States. Soviet authors, for example, have noted Mexican criticism of U.S. policy in Guatemala in 1954 and in the Dominican Republic in 1965. In addition they have noted that Mexico was the

only country in Latin America to maintain normal relations with Cuba throughout the Castro period.¹¹

Soviet-Mexican political ties have proved durable; economic ties do not have comparable prospects.

Argentina. In many ways Soviet relations with Argentina are the obverse of Soviet relations with Mexico. The USSR has consistently placed emphasis on economic rather than political relations with Argentina, the opposite of the practice with respect to Mexico. The Soviet authorities have long looked to Buenos Aires as a base for expanding trade with other South American countries, especially Brazil, Chile, Bolivia and Peru. The USSR has stubbornly pursued its goals of trading with Argentina in spite of frequent friction.

The USSR has maintained demand over many years for Argentine exports: hides, wool, quebracho extract and other agricultural products. Although diplomatic relations between the two governments were not established until 1946, trade with Argentina, mostly Soviet imports from Argentina, was usually far larger from the beginning than with any other Latin American country.¹² While Argentine governments have often been indifferent or hostile towards the USSR, many have permitted this trade to go forward because the USSR has been a profitable customer for Argentine exports. That pattern in relationships continues to this day.

In 1925 the USSR began its trade relations with Argentina by establishing an office of the Soviet Trading Company, Amtorg, in Buenos Aires. The USSR bought skins, quebracho extract, and meat and sold the Argentines lumber, fur, and mineral oil. Since there was an unfavorable balance, the Soviet negotiators offered the Argentines oil. The Argentine government and the head of the state petroleum company were much attracted to the Soviet offer because they were then engaged in an effort to lower the domestic price of oil, strengthen the state company, and break the dominance of foreign oil companies. The availability of Soviet oil gave them the alternative source they needed to give them some independence from the foreign companies.¹³

By 1930, however, a coup d'état brought in a new government closely linked to the foreign oil interests. The new government embarked on anti-Communist repression and Argentina sharply cut its oil imports from the USSR. In 1931 the government closed down the offices of the Soviet trading company. The Soviet Trading Agency, now known as Iuzhamtorg, moved across the estuary to Montevideo, Uruguay. Soviet-Argentine trade plummeted. Diplomatic relations between the two countries were not established during these early years.

The Soviet Union has long regarded Argentina as perhaps its most promising market in Latin America and a country with which it especially prizes diplomatic and trade relations. The reasons do not lie in any special ideological affinity between the Soviet and postwar Argentine governments. On the contrary, many of these governments have had an openly anti-Communist orientation.

In the first instance, Soviet interest is based on the needs of the domestic Soviet economy for many of Argentina's exports, most particularly hides, wool, grain, and more recently wine. Soviet purchasing agents have continued to buy these Argentine exports even when the trade balance has showed a huge deficit. From the Soviet perspective, the key to a satisfactory relationship is a much augmented Argentine purchases of Soviet machines and equipment, sales of which to Argentina have been consistently disappointing. Were Argentina to sharply expand purchases of Soviet goods, further increases in Soviet purchases would be likely.

Almost all the governments of Latin America established relations with the USSR before the end of World War II. Because of its association with the Axis in World War II Argentina was an exception. In his campaign for the presidency, Juan Domingo Peron promised to establish relations with the USSR and after his election did so in June 1946. Peron did little else to promote relations with the Soviet Union until 1953 when the Argentine economy was in serious trouble. In an effort to find new markets and better terms, Peron signed a trade and payments agreement with the USSR, the first such intergovernmental agreement in Latin America. In exchange for

Argentine agricultural products the Soviet Union was to supply oil, coal, machinery, equipment, steel, and iron.¹⁴ Trade turnover rose nearly ten times to almost 70 million rubles in 1954.

From then on Soviet relations with Argentina had their ups and downs, often reflected in annual trade turnover figures. Several of the governments (Frondizi, Illia, Lanusse, and Perón's second government encouraged trade with the USSR mainly, it seems, for economic advantage. They hoped to find new markets, better credits, and economic assistance through ties with the USSR. While they may have viewed cooperation with the Soviet Union as strengthening their hand vis-a-vis the United States and Western European governments, they did not share Soviet political values.

Other governments, which Soviet writers termed oligarchic, militarist, repressive and anti-Soviet, discouraged Soviet ties and trade with the USSR. These included the governments of Aramburu, Guido, Onganía, and at the end, Isabel Martínez de Perón.

Since Perón's first government fell from power in 1955 there have been intermittent trade and economic cooperation agreements, exchanges of governmental and parliamentary delegations, and visits by Soviet Party leaders to congresses of the Argentine Communist Party. In 1958, when Arturo Frondizi, who had criticized the government for not availing itself of Soviet oil in the early 1930's,¹⁵ became president he negotiated a very favorable 100 million dollar line of credit to finance the purchase of Soviet equipment for the oil industry. The Argentines were to pay off any loans drawn down with agricultural exports.¹⁶ The USSR was to supply equipment for geological exploration, drilling, transport vehicles, etc. In 1960 the Deputy Chairman of the Council of Ministers, A. N. Kosygin, visited Buenos Aires and the two governments signed a protocol to the trade agreement providing for Soviet supplies of lift vehicles, road building equipment, and metalworking machinery. When Frondizi was overthrown in a coup d'état, his successor terminated trade relations with the USSR and only 30% of the Soviet credit had been drawn down. Relations improved again under Illia but worsened again under the military dictatorships of

Generals Onganía and Levingston from 1966 to 1971. A new trade agreement, providing for economic cooperation, was signed in June 1971. And in February 1974, after Perón's reelection, an agreement was signed for the delivery of Soviet machines and industrial equipment on a credit basis. In May 1974 two high level trade delegations reached agreement with respect to Soviet equipment for an Argentine power station, one hydroelectric and one thermal. Agreement was also reached on Soviet participation in the construction and in training for Argentine industrial projects in the fields of energy, chemical industry, ship building, and the construction of ports. On its side, the USSR made commitments with respect to the purchase of meat, fruit, and fruit juice. Questions of marine and air connections were also discussed. In the fall of 1974, the two countries also signed an intergovernmental agreement on sports. Meanwhile, in July 1974, Perón had died. In her short tenure, his widow did not carry out the Soviet Argentine agreements, and once again Soviet objectives for cooperation with Argentina were defeated.

The overthrow of Isabel de Perón in March 1976 by General Jorge D. Videla resulted in a new period of Soviet-Argentina cooperation. Trade rose to new highs and planning of joint projects, such as the large hydroelectric project in the Middle Paraná, went forward.

Brazil. The Soviet Union has long attributed great importance to Brazil because of its huge area, large population, and its political influence in the world. In addition, the Brazilian economy produces many goods the USSR needs and also offers the largest market in Latin America for Soviet exports. For these reasons Soviet officials and scholars have long placed great value on diplomatic and economic relations with Brazil and have also followed with care political developments inside the country.

During most of Brazil's recent history the Brazilian government, however, has a political complexion among the least propitious in Latin America for relations with the USSR. Before World War II there appears to be no evidence that Brazil ever

seriously considered recognizing the USSR. In fact, the most prestigious Communist in Latin America, Luiz Carlos Prestes, resident in Moscow for most of the 1970's, led an unsuccessful armed uprising to overthrow the Brazilian government in 1935. At that time, the Communist International and leading Soviet Communists strongly backed Prestes. As one would hardly find surprising, the Brazilian government was then a vocal critique of the Brazilian Communists, the Communist International, and the Soviet Union.

At the end of World War II, partially in recognition of the Soviet contribution to the defeat of the Axis against whom the Brazilians fought in Italy, Brazil recognized the Soviet Union in April 1945. The period of formal relations proved short because after the war Brazil was the first government to break relations with Moscow On October 20, 1947. The diplomatic break was paralleled by government suppression of the Communist Party which was outlawed in May 1947 and whose deputies and senators were ejected from parliament in October 1947. Brazil continued to maintain diplomatic relations with Poland, Czechoslovakia, and Yugoslavia after the break with Moscow.

In the ensuing ten years the national discussion about relations with the socialist countries continued. On one side, were opponents of such relations who opposed Soviet "penetration" of Brazil and feared influence of the Brazilian Communist Party. On the other side were Brazilian nationalists who insisted that the question of relations with the Soviet Union was a strictly Brazilian decision and that trade with the socialist countries was in the Brazilian national interest.

In the fall of 1959 the Brazilian government sent a trade delegation to the USSR. In December 1959 the two countries signed a trade and payments agreement for three years. The USSR was to supply Brazil with oil, petroleum products, wheat, machines and equipment, and chemical products in exchange for coffee, cocoa, and hides. The President of Petrobras told Pravda that Brazil acquired high quality Soviet oil at lower prices than it was available from other sources. A joint executive committee was formed to promote trade and in May 1960 Gosbank and the Banco do Brasil signed a

clearing agreement and arrangements were made for the exchange of other products. In the spring of 1961 trade promotion offices were established in Moscow and Rio de Janeiro.

Meanwhile, Jânio Quadros, one of several presidential candidates, visited the USSR in 1959. In his campaign platform the party proposed that Brazil establish relations with governments irrespective of their political structure. Quadros was elected and relations between the two countries continued to grow as part of the new "independent foreign policy" with a more balanced and neutralist orientation. It was not until November 1961 after Quadros resigned and Vice President Goulart became president that relations were formally reestablished. In May and June 1962 the USSR sponsored a trade and industrial exhibit in Rio de Janeiro, which was the largest Soviet exhibit abroad in that year. Soviet authorities claimed that over one million Brazilians visited the exhibit. In April 1963 the two countries signed a new trade and payments agreement for 1963-65.

In 1963 two Soviet geologists, E. A. Bakirov and E. I. Tagiev, were invited to Brazil to help identify oil reserves. The Soviet specialists claimed that there were oil reserves in Brazil, especially in the north of the country, and that these were sufficient to meet the nation's needs. Their report attracted much attention because earlier surveys made by American geologists had reached opposite conclusions. The Soviet press said that the American geologists had been associated with Standard Oil which had an interest in exporting oil to Brazil. *Brazil is heavily dependent on foreign oil and optimistic Soviet claims have not yet been proven.*

Meanwhile, the Goulart government was in growing economic and political difficulties. Inflation was mounting rapidly in the country, and there was labor and popular unrest in many cities. Goulart, himself, was moving leftward and conservative groups in Brazil and the United States were concerned. His measures to nationalize certain public utilities caused alarm in the same quarters. In April 1964 Goulart was overthrown by the Brazilian military and fled the country.

In the period from Kubitchek to Goulart Soviet trade with Brazil expanded substantially. Total trade rose from 5 million rubles in 1959 to 65 million rubles in 1963. This was a huge increase, although the 1963 figure constituted less than 3% of Brazilian foreign trade. Soviet imports tended to run well ahead of exports, but not to the same extent as in many other Latin American countries.

The Castelo Branco government which overthrew Goulart in 1964 closed the Congress and imprisoned or exiled many political leaders on the left, including the Communists. Brazil became a repressive anti-Communist military dictatorship. One of the first foreign policy acts of the new government was to break relations with Cuba. Brazilian policy towards the socialist countries in Europe, however, was quite different. In May 1964 in reply to a journalists question, Castelo Branco maintained that Brazil would continue normal relations with other governments irrespective of their political systems,¹⁷ and that the Soviet Embassy had normal relations with his government. Defending this policy, Roberto Campos, Minister of Planning and Economic Coordination, explained that Brazil had heavy debts with the western countries, which were saturated with Brazilian exports while prospects for expanding trade with the USSR were good.¹⁸

In August 1966 the two governments signed a protocol about Soviet deliveries of machinery and equipment to Brazil on terms of commercial credit. The USSR agreed to take 25% of its imports from Brazil in finished or semi-finished goods. The Soviet Minister of Foreign Trade pointed out that this contract made possible not only an increase in Soviet purchases of Brazil's traditional exports but also purchase there of finished and semi-finished goods in about at least equivalent to 25% of Brazil's purchases in the USSR. In 1967 the USSR bought soluble coffee from Brazil; some of Brazil purchases in the USSR were lathes, ball bearings, watches, and cameras. Oil was by far the largest Soviet export to Brazil in 1966, fluctuating greatly but some times about 90% of Soviet exports to Brazil.

In the years immediately following the military coup of 1964 Soviet Brazilian

trade dropped off, but nonetheless continued to maintain a level far above the pre-1960 period. The military dictatorship continued to trade with the USSR and in 1972 total trade exceeded the former record year of 1963 under Goulart. In fact, in 1971 the USSR had more trade with Brazil than with any other Latin American country, except Cuba, thereby edging out Argentina, as the Soviet Union's first trading partner in Latin America.

In October 1972 the two countries signed an agreement on shipping to increase the quantity of their mutual trade carried on their own ships. In the meantime, Brazil began to purchase new items of Soviet manufactures: power equipment, excavating equipment, cement making equipment, tractors, cement. The most important project involved the Soviet delivery of hydroturbines and hydrogenerators for use in the Brazilian hydroelectric station, Capivari. In 1975 arrangements were made for providing Soviet turbines and generators for a hydroelectric station in the state of Pernambuco.

Soviet initiative to stimulate trade continued to rely on industrial exhibitions such as the one in São Paulo in August 1973.

Brazil's economic difficulties, and particularly her need to import most of her oil, has had a favorable impact on trade with the USSR. Brazil sought to expand her exports and Brazil became for a time the Soviet Union's largest trading partner in Latin America, except for Cuba. Sales to the USSR have helped Brazil improve its balance of payments position. Brazil has also bought Soviet oil. At the same time the USSR has been dissatisfied with the volume of Soviet exports to Brazil and links future Soviet purchases to Brazilian purchases of Soviet products. Oil constituted most of Soviet exports to Brazil but they fell off sharply in 1978.

Soviet authors have called attention to a constructive Soviet role in Brazil's economic crisis in 1974. In that year there was a sharp drop in demand for shoes, partly caused by the imposition in the U.S of a protective tariff on shoes. In 1975

the USSR agreed to purchase 120,000 pair of shoes which permitted some 29 Brazilian factories to remain open and guaranteed work for hundreds of workers.¹⁹

One path breaking Soviet project has been the Soviet supply of generators for the hydroelectric plant, Capivari, the first station in Latin America using Soviet equipment. On the basis of an agreement signed in 1971, the Soviet trading firm, Elektromashexport began deliveries of equipment in 1973 and within a year supplied the fourth and last hydrogenerator. The plant which has a capacity of 640 thousand kilowatts, went into operation in March 1977. In 1975 Elektromashexport agreed to supply the Brazilian Power Company, San Francisco, five Soviet power hydrounits of 178 thousand kilowatts for the hydroelectric station Sobradinho in the state of Pernambuco. This complex has a huge water reservoir, second only to Lake Titicaca in South America, and will serve irrigation and other purposes.²⁰

Soviet Brazilian trade is planned and coordinated by a joint trade and economic commission which meets annually. The Brazilians sponsored an exhibit of light industrial products in Moscow in 1973, with over 100 Brazilian firms exhibiting.

Soviet commentators have called attention to the fact that Brazilian aims in the Soviet relationship are "quite limited", meaning that they prefer to keep ties strictly business. Cultural relations, for example, are minimal.

Soviet relations with Brazil are not close for a variety of reasons. In the first place, the authoritarian Brazilian military regime does not look kindly on socialism or the USSR. The Brazilians are happy to sell their products to the Soviet Union, but neither government or private corporations are making much effort to increase Brazilian imports from the USSR, which the Soviets hold to be essential to a large trade expansion. Nor does the Brazilian government wish to go much beyond economic relations; cultural relations, for example, are minimal. And the Brazilian government continued its anti-Communist policies, including the repression of the Communist Party and other parties on the left. Nonetheless, the USSR wants to continue to have diplomatic and commercial relations with Brazil and appears to regard the

results of those relations positively.²¹ No doubt this is partly because Soviet leaders consider Brazil a large, powerful, and influential state where it is desirable that the USSR maintain a presence. This motivation helps explain why Soviet trade officials are prepared to buy far more from Brazil than they sell to Brazil.

Chile. Chile had no official contact with the USSR during the interwar period, but, like most other Latin American governments, established diplomatic relations with the Soviet Union towards the end of the war, in December 1944. In 1946 Gabriel González Videla was elected president of Chile with Communist support and Communists joined his cabinet. Prospects for the expansion of relations between the two countries seemed promising. Plans were underway for direct steamship connections between Valparaiso and Vladivostok, and for the sale of Chilean nitrates and other products in exchange for Soviet equipment and raw materials.²²

When the new President had difficulty in securing parliamentary majorities and as the Cold War deepened abroad, he turned against the Communist Party, his government swung abruptly to the Right and outlawed the Communist Party. On October 21, 1947 Chile broke diplomatic relations with the USSR.

In the years that followed there was lingering concern in Chile that the absence of relations with the USSR was denying the nation a profitable market. In January 1960 the government of President Jorge Alessandri, the leader of a coalition of rightwing parties, sent a trade and industrial delegation to Moscow to look into economic opportunities. Meanwhile, Chile suffered a severe earthquake in 1960 and the Soviet Union sent food and medicines. In 1961 Chile considered selling copper to the USSR but opposition in political and industrial circles prevented these sales from taking place. In 1963, however, Chile signed its first agreement for the sale to the USSR of several thousand tons of Chilean copper. Again in 1963 a Chilean economic delegation visited the USSR with no concrete results.

In the elections of 1964 the Christian Democratic candidate, Eduardo Frei, and the candidate of the left, Salvador Allende both favored reestablishing relations

with the USSR. After Frei became president, the new Chilean Foreign Minister and the Soviet Ambassador from Argentina signed an agreement on November 24, 1964 reestablishing diplomatic relations. In 1966 a Chilean delegation headed by the Minister of Labor and Social Welfare visited Moscow, while Politburo Member A. P. Kirilenko attended the Thirteenth Congress of the Chilean Communist Party in 1965. While in Chile, he was received by President Frei.

Progress in expanding relations was slow. On January 13, 1967 three agreements were signed in Moscow: a trade agreement, an agreement about the deliveries of Soviet machinery and equipment, and agreement for technical cooperation for the construction of industrial and other projects. The USSR agreed to use 30% of its receipts from these projects to buy finished and semi-finished Chilean goods. In June 1968 these agreements were followed up by the visit of a Chilean trade delegation to Moscow. The two governments reached another agreement regarding expenditures under a Soviet credit of US \$57 million for Soviet machines, equipment, and industrial construction.²³ Arrangements were made for Soviet specialists to travel to Chile to study industrial construction projects, modernization of the railroads, the equipping of the fishing port, and a factory for canning fish. On its side, Chile agreed to sell the USSR wool, yarn, clothing, shoes, cellulose, fruit, and other products.

The Soviet authorities enthusiastically welcomed the election of Salvador Allende to the presidency and his assumption of power in October 1970. A member of the Socialist Party himself, a Marxist, and enjoying the support of the Communist Party, Allende was politically and ideologically closer to the Soviet Union than any other Latin American president except Castro. The Soviet authorities moved ahead to strengthen their ties with his government. From the beginning it was clear to all, including Soviet leaders, that Allende faced an uphill struggle in an economic and political sense. His plans to move Chile rapidly towards socialism meant further shocks to an economy which was already in deep trouble. And his radical program and relatively narrow base of support raised serious questions whether the Chilean

military would permit him to finish his term.

In spite of Allende's tenuous position, the Soviet Union continued to deal with his government within roughly the same framework that they had dealt with other friendly governments, such as the military government in Peru. This treatment included generous credits to promote Soviet exports, extensive purchases of the Latin American partners traditional exports, technical assistance, gifts for humanitarian purposes (the Chilean earthquake), and technical assistance. During Allende's presidency the USSR authorized more credits, increased trade more rapidly, and helped the Chilean economy more than it had other Latin American countries other than Cuba. But it did not move outside the traditional framework. The Soviet authorities for example did not follow the same policies as toward Cuba, that is, subsidizing Chilean exports and imports, providing free military equipment (Allende turned it down),²⁴ absorbing huge trade deficits, or buying up much of Chilean exports. Clearly, neither the Soviet, nor the Chilean leaders viewed their relationship as a repetition of Soviet-Cuban relations.

The tempo of the development of Soviet-Chilean relations was slow. In the first place, Allende and his leading associates had their hands full in Chile, nor did they consider inordinate haste in developing ties with the USSR seemly. On the Soviet side, the bureaucracy operated ponderously and cautiously. The first "important step", as a Soviet author terms it, did not take place until May 1971 when the Chilean Foreign Minister paid a visit to Moscow. He was received by the Chairman of the Council of Ministers, A. N. Kosygin, and by others of second rank. His visit led to the signing on May 28 of an agreement increasing Soviet credits to Chile within the framework of the 1967 agreement with the Frei government. The agreement also provided for a list of items for trade, the establishment of a Chilean Trade mission in the USSR, and the creation of Soviet-Chilean trade Commission. The USSR also agreed to offer technical assistance in the construction of a factory to produce lubricating oil, of an apartment building construction facility, and for the study of the possi-

bilities for cooperation in other fields, including fishing and chemical industry.

In June 1971 a group of Soviet copper mining specialists arrived to help restore the operation of mines which had been nationalized and from which American specialists had departed. In July of that year the USSR presented as a gift to the people of Chile, who had recently suffered in a severe earthquake, a factory for the production of apartment buildings. The factory was designed to produce 58 four story apartment buildings a year, that is 1,680 apartment units. It went into operation in July 1973 before Allende's fall. The factory near Valparaiso is, perhaps, the most important and visible object of Soviet assistance to the Allende government which continues in operation under the military junta. Apparently, there's not much else left.

Another important field of Soviet Chilean economic cooperation was in fishing. A Soviet delegation of fishing specialists, headed by the Soviet Minister of Fishing, visited Chile in August 1971. The two governments agreed on Soviet cooperation in planning, in the construction or reconstruction of fishing ports, in the study of Chile's fishing resources, in the training of fishing personnel, and in the establishment of schools for the preparation of subprofessional specialists. On their side the Chilean authorities offered many of Chile's major ports to receive Soviet fishing vessels for rest, reequipping and resupplying. Three large Soviet fishing trawlers were rented out on commercial terms to the Chilean Company, Arauco. With larger Soviet equipment the catch was many times larger than that of the companies earlier catches. Another important Soviet delivery to Chile was 3,180 tractors in 1972 and 1973.²⁵

Political contacts between the two countries were frequent during the Allende period. Sh. R. Rashidov, a candidate member of the Soviet Politburo, attended the 23rd Congress of the Chilean Socialist Party in Santiago in January 1971 and representatives of the Chilean Socialist and Communist Parties took part in the 24th Congress of the Soviet Communist Party also in 1971. Politburo member A. P. Kirilenko came to Chile to help the Communist Party celebrate its 50th anniversary on

January 2, 1972. Several aspects of these visits were noteworthy. The Soviet Communist Party welcomed the Chilean socialists into the bosom of the international communist movement, an expedient move since Allende himself was a socialist and the socialists were the largest party in the government. Political ties increased under Allende but the Kirilenko visit was not his first to Chile; he had come in 1965 and had been received by President Frei then. A Soviet parliamentary delegation came to Chile in 1971, and a Chilean economic delegation visited the Soviet Union in 1972. The latter resulted in further agreements for economic and technical cooperation. While in Moscow, the chief of the delegation commented on how helpful Soviet credits were especially in the light of "the pressure of U.S. imperialism to smother our economy".²⁶

The climactic moment of Soviet-Chilean relations came on December 6, 1972 when Salvador Allende visited Moscow, and was received by Brezhnev, Podgornii, and Kosygin. It is of interest that his first visit as president came more than two years after his assumption of the presidency and only nine months before his fall from power. He was accompanied by Foreign Minister Almeida and the General Secretary of the Chilean Communist Party, Luis Corvalan. Army Commander Carlos Prato visited the USSR in May 1973.

Trade between the USSR and Chile grew rapidly during the Allende period:

Table II.2

Soviet Trade with Chile, 1971-1973

	<u>1971</u>	<u>1972</u>	<u>1973</u>
Total	7.8	18.9	28.6
Soviet Exports	7.0	11.6	16.0
Soviet Imports	0.8	7.3	12.6
Soviet Trade Surplus	7.0	4.3	3.4

In 1972 when momentum in the relationship began to build up most of Soviet exports to Chile were machinery, equipment, and transport vehicles. In 1973, however, economic conditions in Chile had worsened substantially and the bulk of Soviet exports were consumers items most particularly wheat and fresh frozen meat. In 1971 the USSR

imported iodine from Chile but in 1972 and 1973 the major items were copper and copper concentrate. Unlike Soviet trade with many Latin American countries, the USSR had a trade surplus with Chile during the Allende years. This is not surprising in view of the Soviet interest in helping Allende through credits and economic cooperation. Yet the Soviet trade surplus is relatively small, cumulating to less than 15 million rubles in the three year period. While that small figure may not reflect the real value of Soviet aid to Allende, it does show its limited scope. One should also note that the Soviet turnover with Chile during these years was far below the turnover with Brazil and Argentina with whom the USSR had little in common politically or ideologically.

The Soviet trade surplus of about 15 million rubles is small compared to the Soviet credits authorized for Allende. The latter came to about 260 million dollars.²⁷

Some of this may have been in hard currency but the bulk of it required Chilean purchase of Soviet products. As a result, Soviet aid, or more accurately lines of credit, were of limited utility when Allende needed hard currency to pay off Chilean foreign debt and to pay for products needed and contracted for in the West.

From a Soviet perspective, the USSR made a significant effort within the framework of its traditional foreign economic policies to aid Allende. Most of this assistance took the form of lines of credit and technical cooperation in fishing, apartment construction, vehicles, and mining. Allende welcomed Soviet moral and financial support but it contributed little to helping him solve his economic and political problems.

Shortly after Allende was overthrown, the USSR broke diplomatic and commercial relations with the military junta, and appears to have no intention of reestablishing relations with that government.

Peru. The Soviet Union had almost no contact with Peru until 1969 when diplomatic relations were established for the first time. During the interwar period,

and the first few years after World War II, Peru was an old fashioned, society dedicated mainly to agriculture and mining, and displaying many symbols of its colonial past. Unlike most of the larger Latin American nations, Peru did not recognize the USSR at the end of World War II.

But, in the 1970's, however, the Soviet Union has achieved broader, and possibly closer relationship with Peru than with any other Latin American country, except Cuba. The relationship is broader because Soviet Peruvian relations cover not only trade but also cultural, economic, technical, financial, and most notably, military cooperation.

Soviet leaders prefer socialist or communist governments on the Castro or Allende models to the Peruvian military regime. Since Marxist governments are few, however, the USSR is prepared to collaborate with governments, particularly if they have anti-imperialist orientation, such as Peru since 1968. The Peruvian military government, which came to power then, expropriated oil and other natural resources, imposed control over foreign imports, introduced an agrarian reform, and took a series of other measures to improve the lot of Peru's poor. General Velasco, who headed that government, took an anti-imperialist line, while rejecting explicitly both capitalism and communism for his country. He did favor relations with Moscow.

The USSR and Peru established diplomatic relations and signed a trade agreement in early 1969. Trade promotion offices were established in Moscow and Lima. The Peruvians expressed their hope that ties with an industrial state like the Soviet Union would create great opportunities for their national development in many fields.

In 1970 Peru experienced one of the worst earthquakes in its history. Indicating their concern, the Soviet authorities gave Peru 100 apartment buildings, road building equipment, equipment for three kindergartens, medicines and food. Moscow also sent a field hospital and medical personnel.

In December 1971 the two countries signed an agreement about economic and technical cooperation which was later implemented by protocols dealing with specific

projects. One of these is an effort to realize an old Peruvian dream of bringing water from the Amazon Basin across the Andes to irrigate the dry Peruvian north coast. The project when completed is expected to irrigate 56,000 hectares of land and have a generating capacity up to 520 thousand kilowatts.²⁸ The most difficult part of the project is the completion of a tunnel 20 kilometers long. In 1979 the USSR had completed the preliminary work for the tunnel, but the main construction remains to be completed.

The USSR also collaborated with Peru in the construction of a fishing complex at Paita on the Peruvian north coast. The USSR supplied fishing and refrigeration equipment, ice-making facilities, generators, and repair shops. The fishing complex went into operation in 1975 but shortly thereafter was forced to shut down when overfishing and environmental conditions caused the fish to disappear. The plant was not in operation in 1979.

Soviet specialists have also been helping Peru design hydroelectric stations on the Marañon and other Peruvian Rivers. One such station at Rentama has a projected capacity of 1.5 million kilowatts. Soviet specialists have also been helping Peruvian specialists explore for oil.

A Soviet export firm was to have supplied equipment and know how for the construction of a steel plant at Nasca and for equipment at Arequipa, but fiscal problems have forced postponement of these projects. The USSR has also supplied Peru with helicopters, trucks, oil tanks, and ore bearing freighters. The helicopters have proven especially useful in the construction of a pipeline in the north and for moving heavy tools into the jungle. Soviet vaccines have also been provided in large quantity. In the late 1970's when Peru was suffering fiscal and balance of payments difficulties, many of the projects were stalled for lack of capital.

For its part, the USSR has imported light metals and their ores, coffee, sugar cane, wool, and fish meal from Peru. Unlike Soviet trade with many Latin American countries, with which the USSR has a large deficit, trade with Peru is nearly balanced,

showing only a slight surplus in favor of Peru.

Beginning in 1971 ships began to travel twice a month between Baltic ports and the Pacific. In 1974 Aeroflot, began the first Soviet commercial air service to South America. It now flies to Lima by way of Frankfurt, Lisbon and Havana.

The most distinguishing feature of Soviet-Peruvian relations is the fact that Peru is the only Latin American country, other than Cuba, to which the USSR has sold arms. Peruvian purchases come to several hundred million rubles for air craft, tanks, surface to air missiles and artillery. The government purchased 250 54/55 tanks and 36 Su-22 fighter bombers, and SA-3 and SA-7 surface to air missiles. In addition, the Peruvian government has purchased 23 Mi-8 helicopters, 200 T-62 medium tanks, and 122mm and 130mm artillery.²⁹ Peru has a military attaché in Moscow with the rank of Brigadier General, one of the three Latin American embassies in Moscow with a military attaché. U.S. government sources indicate that there are almost 100 Soviet military advisors in Peru, and over 600 Peruvian military in training assignments in the USSR.³⁰

Unlike Cuba, which has received most if not all of its arms from the USSR free, Peru must pay, but on what are believed to be easy terms. In 1978 when Peru was having great difficulty servicing its foreign debt--payments of interest and principle were coming to 55% of exports, the Soviet Union was the first major creditor to reschedule its debt. The USSR put a moratorium on payments beginning with the equivalent of some US 60 million due in that year.³¹ In fact a moratorium was placed on these payments through 1980, with payments resuming then until 1988, with the larger amounts being paid later. The USSR officials placed no charges or conditions on this rescheduling, and reportedly even expressed willingness to make further adjustments if Peruvian conditions warranted. Peruvian officials have indicated that the generous Soviet attitude contributed to the softening of the position of western creditors later in the year. To express appreciation for Soviet material and morale support in a time of national crisis, the Peruvian government awarded high decorations

to Politburo members, Brezhnev, Kosygin, Gromyko and Andropov.

In 1979 several of the most important Soviet projects in Peru have come to a halt because of the economic crisis in Peru and the foreign debt problem.

Other Countries. Soviet relations with many other Latin American countries are worthy of more extended and separate treatment. I have been forced to cut out sections on these countries in order to meet the contractors' recommendations with respect to the length of this report. Here are short summary statements.

The USSR had trade relations with Uruguay soon after the Bolshevik revolution and Uruguay recognized the USSR in 1926. The level of trade has been rather high relative to other Latin American countries over the long term. That is because Uruguay, like Argentina, has many products the USSR wants to buy. There has been some trade even in periods when political relations have been difficult, for example in the 1970's.

Economic ties with Bolivia have been expanding more rapidly than with almost any other Latin American country. This trend was established even before the authoritarian military regime of General Banzer was overthrown. Bolivia became the USSR's fourth trading partner in Latin America except Cuba in 1977, largely because of Soviet purchases of tin ore. Soviet provision and financing of a plant to process low grade tin ores appears to have been successful, and plans are now going forward to complete a second such plant. The USSR is expanding scholarship provisions for poor Bolivians who appreciate these opportunities to improve their lot in life.

Guyana and Jamaica appear to have been courting the USSR recently, most particularly to secure Soviet loans and technical assistance for the refining of bauxite. The Soviet Union purchased much bauxite from both countries from 1973 to 1975. Both countries have been negotiating for technical assistance of other kinds, such as construction and fishing. Presidents Burnham and Manley have both visited the USSR. On his visit in April 1979 Manley got a commitment from the USSR to buy large quantities of alumina from Jamaica's new plant. The Jamaica and Guyana brands of

socialism are politically and ideologically closer to Soviet socialism than most other Latin American countries, and the three governments have similar views on a number of international questions, most particularly in Africa. Guyana has applied for membership in Comecon and Burnham's People National Congress would welcome association with the Soviet Communist Party, perhaps as a counter to the existing association of the Guyanese Communists lead by Dr. Cheddi Jagan.

Soviet purchases of Colombian coffee have given the latter country an opportunity to diversify its foreign markets. The USSR is providing and financing equipment for a \$200 million hydroelectric plant at Alto Sinu. The two governments appear to have an easy political relationship with active cultural relations and a large number of Colombian students in the USSR.

The USSR appears to be interested in Venezuela primarily for political reasons, that is as a means of access and influence on a leading Third World nation. Relations were not established until 1970. Venezuela finds a Soviet tie useful on strengthening its own position with the United States and in the Carribean, where there has been rivalry with Cuba. Trade between the two countries has been only slight, but with the Soviet Union having a tiny, but rare for Latin America, trade surplus. President Perez visited Moscow in late 1976. To save transportation costs on both sides, Venezuela is now providing Cuba with oil, and the USSR an equivalent amount to Spain.

The Soviet Union has diplomatic relations with only one Central American country, Costa Rica.

The USSR has sold millions of dollars worth of consumer durables, such as watches and television sets, to Panama, but there are no diplomatic relations. The Soviet and Panamanian governments both would like to establish formal relations, and Panama is probably awaiting a propitious moment as tension with the United States subsides.

Conclusions about Soviet political relations with Latin America may be found in Chapter V.

Notes

1. Stephen Clissold, ed., Soviet Relations with Latin America 1918-1968, A Documentary Survey, London, 1970. See pages 95, 98, 118, 200, 207 and passim.
2. Interview with Soviet official, Moscow, April 1979.
3. Robert D. Crassweller, Trujillo, the Life and Times of a Caribbean Dictator, New York, 1966, p. 425.
4. Information Moscow, Autumn/Winter 1978-79, pp. 125, 224. The Mexican military attaché had not yet arrived when this issue went to Press.
5. Latinskaia Amerika, No. 5, 1977, p. 128.
6. Stewart Cole Blasier, "Foundations of Comintern Policy Towards Latin America, 1919-1924", Certificate Essay, Russian Institute, Columbia, 1950.
7. The best Soviet sources containing accounts of bilateral relations are by A. I. Sizonenko: Ocherki istorii sovetsko-latinamerikanskikh otnoshenii, Moscow, 1971; Sovetskii soiuz i latinskaia amerika, Kiev, 1976 and Sizonenko with A. V. Bobrovnikov, Sovetskii Soiuz i Latinskaia Amerika Segodnia, in the series, Znanie, Moscow, 1978.
8. John Barron, KGB, The Secret Work of Soviet Secret Agents, New York, 1974, Chapter XI. James D. Theberge, The Soviet Presence in Latin America, New York, 1974, p. 33.
9. See, for example, A. I. Sizonenko, V strane atstekskogo orla, pervye sovetskie polpredy v Meksike, Moscow, 1969.
10. Vneshnaia Torgovlia 1977, pp. 275-276, and Statistical supplement for 1978 to Issue no. 4 of the journal, Vneshnaia Torgovlia.
11. SSSR-Mexico 50 let, Moscow, 1975, p. 66-67.
12. Vneshnaia Torgovlia SSSR Statisticheskii Sbornik 1918-1966, Moscow, 1967.
13. Carl E. Solberg, Oil and Nationalism in Argentina, Stanford, 1979, pp. 136-137.
14. SSSR-Argentina 30 let, Moscow, 1976, p. 16.
15. Arturo Frondizi, Petróleo y Política, Buenos Aires, 1955, p. 250 ff.
16. Sizonenko, Ocherki. . . , p. 117.
17. Ibid., p. 132.
18. Ibid., p. 133.
19. Sizonenko and Bobrovnikov, Sovetskii. . . , 1978, p. 31.
20. Ibid., p. 33.
21. Ibid., p. 34.

22. Sizonenko, Ocherki. . . , p. 89.
23. Ibid., p. 144.
24. Paul E. Sigmund, The Overthrow of Allende and the Politics of Chile, 1964-1976, Pittsburgh, 1977, p. 194.
25. Sizonenko, Sovetskii. . . , 1976, p. 65.
26. Ibid., pp. 65-66
27. Ibid., p. 70.
28. Sizonenko and Bobrovnikov, Sovetskii. . . , 1978, p.44.
29. Latin American Economic Report, March, 1978, Vol. VI, No. 9, p. 71
30. Central Intelligence Agency, Communist Aid to Less Developed Countries of the Free World, 1977, p. 26.
31. Latin American Economic Report, November 3, 1978, Vol. VI, No. 29, p. 71.

III

THE STUBBORN TRADE DEFICIT

Economic Relations

The most significant aspect of Soviet economic relations with Latin America is the large Soviet trade deficit. (Table III.1) In recent years Soviet trade deficits with Latin America have fluctuated between 200 and 500 million rubles a year and the Soviet global balance between three billion rubles plus and minus. Thus, in deficit years Latin America has contributed a substantial fraction of the total Soviet deficit, more than one-third in 1978.

Soviet import agencies have been buying hundreds of millions of rubles of consumption goods and non-ferrous metals every year, paying for them in hard currency. (Table III.2) The Latin American countries are not buying back Soviet exports in comparable volume. (Table III.3) Latin American purchases from the USSR at best are less than a third of Soviet purchases in the area, and in some years, as little as one tenth.

Why are Soviet purchasing agencies able and willing to continue purchasing at such relatively high levels? Probably the main reason, and this has been confirmed independently from various Soviet sources, is that Soviet officials find Latin American offerings attractive. In order to examine alternative markets, I selected the items imported by the USSR in the largest quantities and checked the geographic distribution of these items in the official Soviet foreign trade yearbook. Two groups of items were prominent in that search. The first, including wool and corn, were purchased heavily in hard currency markets. So it was a question of buying from Latin America or, as in the case of wool, from hard currency sources like Australia or New Zealand. The second group, composed mainly of non-ferrous metals, were not shown in the geographic distribution statistics. Their absence suggests that they may be considered strategically sensitive. Some may be in short supply or involve delicate

Table 11.1
Soviet Trade Deficit

	1967	1976	1971	1972	1973	1974	1975	1976	1977	1978	Total 1970-1979
Argentina	-8.0	-24.8	-34.5	-22.1	-67.7	-125.3	-263.0	-216.3	-177.5	-206.4	-1,236.4
Bolivia	—	-3.1	-9.8	-1.7	-8.2	-7.3	-6.8	-8.1	-24.2	-29.5	-97.1
Brazil	5.8	-12.4	-39.7	-52.7	-107.2	-22.0	-204.3	-243.7	-185.2	-75.3	-949.2
Chile	—	1.2	6.7	4.3	3.4	—	—	—	—	—	15.8
Colombia	—	-3.3	-3.7	1.3	-4.3	-3.7	-5.7	-21.6	-5.6	5.4	-28.4
Costa Rica	—	-4.2	-2.7	-2.8	-4.4	-1.5	0.3	-2.5	-3.4	5.5	-16.2
Dominican Republic	—	—	—	-2.8	-15.6	—	—	—	—	—	-18.4
Ecuador	—	-10.4	-3.3	-10.7	-11.5	-5.3	-12.3	-7.6	-9.4	-1.7	-41.9
Guatemala	—	—	—	—	-4.3	—	—	—	—	—	-4.3
Honduras	—	—	—	0.1	-6.8	-4.3	-24.5	—	-1.6	-3.5	-40.6
India	—	-10.7	-2.5	-11.0	-7.3	-9.8	-11.2	—	—	—	-38.6
Indonesia	—	—	—	—	—	—	—	-1.7	-1.7	-5.6	-26.2
Paraguay	—	—	—	—	—	—	2.8	4.8	0.7	0.4	17.3
Peru	—	-6.3	-2.2	-15.8	-21.1	-40.1	-262.4	-46.7	6.0	1.1	-472.1
Salvador	—	—	—	-2.6	-1.7	—	0.1	—	1.1	—	-5.2
Suriname	—	—	—	—	—	—	—	—	-2.4	-1.2	-3.6
Trinidad-Tobago	—	—	—	-8.4	—	—	—	—	-1.8	—	-10.2
Hungary	—	-2.2	-3.4	-1.8	-4.3	-21.9	-13.8	-3.6	-7.4	-11.1	-63.5
Venezuela	—	—	—	-4.0	—	0.2	0.2	0.3	2.7	0.7	0.1
Total	-7.1	-51.4	-31.6	-110.2	-249.2	-260.8	-621.1	-536.4	-325.4	-420.2	-2,608.2

Source:

(1970-1979)

Survey CEV-I Leningala Amerika, Problemy ekonomicheskogo sotrudnichestva, Moscow, 1976, p. 25 and Statisticheskii sbornik, Vneshnaya Torgovlia for 1976 and for 1977, and Vneshnaya Torgovlia SSSR za ianvar'-dekabr' 1978 g., Moscow, 1979, p. 102-103 of the "Vneshnaya Torgovlia".

Soviet Imports from Latin America

		<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>Total</u> <u>1970-1978</u>
Argentina	---	---	---	12.0	---	---	20.0	---	20.0	---	52.0
Bolivia	---	---	---	2.0	---	---	---	---	---	---	2.0
Brazil	---	---	---	11.3	---	---	---	---	---	---	11.3
Chile	---	---	---	---	---	---	---	---	---	---	---
Colombia	---	---	---	---	---	---	---	---	---	---	---
Costa Rica	---	---	---	---	---	---	---	---	---	---	---
Dominican Republic	---	---	---	---	---	---	---	---	---	---	---
Ecuador	---	---	---	---	---	---	---	---	---	---	---
Guatemala	---	---	---	---	---	---	---	---	---	---	---
Honduras	---	---	---	---	---	---	---	---	---	---	---
Jamaica	---	---	---	---	---	---	---	---	---	---	---
Mexico	---	---	---	---	---	---	---	---	---	---	---
Peru	---	---	---	---	---	---	---	---	---	---	---
Puerto Rico	---	---	---	---	---	---	---	---	---	---	---
Trinidad	---	---	---	---	---	---	---	---	---	---	---
Uruguay	---	---	---	---	---	---	---	---	---	---	---
Venezuela	---	---	---	---	---	---	---	---	---	---	---
Total	35.1	70.3	104.7	136.7	294.0	308.8	767.7	611.3	487.5	536.0	3,740.1 (1970-1978)

Comments

Source: CEPAL Latin American, Problemas econ6micos del continente, Moscow, 1976, p. 28 and Statisticheskii sbornik, Vneshnaya Torgovlia for 1976 and for 1977, and Vneshnaya Torgovlia SSSR za Ianos'-dekabr' 1978 g., supplement to number 4, 1979 of the journal Vneshnaya Torgovlia.

Table III.3

Soviet Exports to Latin America

		1970	1971	1972	1973	1974	1975	1976	1977	1978	Total 1970-1978
Bolivia	---	---	---	---	---	---	---	---	---	---	---
Brazil	100	100	100	100	100	100	100	100	100	100	1000
Chile	---	---	---	---	---	---	---	---	---	---	---
Colombia	---	---	---	---	---	---	---	---	---	---	---
Cuba (Cfr.)	---	---	---	---	---	---	---	---	---	---	---
Ecuador	---	---	---	---	---	---	---	---	---	---	---
Guyana	---	---	---	---	---	---	---	---	---	---	---
Mexico	100	100	100	100	100	100	100	100	100	100	1000
Panama	---	---	---	---	---	---	---	---	---	---	---
Peru	---	---	---	---	---	---	---	---	---	---	---
Salvador	---	---	---	---	---	---	---	---	---	---	---
Uruguay	---	---	---	---	---	---	---	---	---	---	---
Venezuela	---	---	---	---	---	---	---	---	---	---	---
Total	100	100	100	100	100	100	100	100	100	100	710.7 (1970-1978)

Sources:

Strany SVV i Latinskaia Amerika. Problemy ekonomicheskogo sotrudnichestva, Moscow, 1970, p. 26 and Statisticheskii Zhurnal, Vneshnaya Torgovlia za 1974 and for 1977, and Vneshnaya Torgovlia SSSR za Ianvar'-dekabr' 1978 g., supplement to number 9, 1978 of the journal Vneshnaya Torgovlia.

issues of access.

Soviet officials also consider Latin America a potentially large market for Soviet machinery and equipment. Incidentally, their major interest appears to be selling manufactures, not raw materials. Latin America is regarded as more highly developed than most Asian and African countries and thus better able to absorb Soviet finished products. In addition, competition in Latin America may be less difficult than in the more advanced industrialized countries. Soviet specialists also consider the prospects for growth in Latin America relatively good. Partly for these reasons, Soviet officials have been willing to incur large trade deficits in order to establish themselves in a potentially good market.

In the past Soviet trade has sometimes been regarded largely as a political instrument of the Soviet state, as a means of penetrating other areas. It may be that one of the reasons for carrying high trade deficits has been to expand economic and political influence in the area. My own opinion is that Soviet resources are still so limited as to discourage purely political use. Domestic needs for resources are so great that the USSR can hardly afford to take many losses in Latin America for purely political purposes. Moreover, other geographic areas closer to home take priority. In any case, Soviet trade and influence in the area to date are low both in absolute and relative terms.

Trade structure. Soviet trade with Latin America has fluctuated between 600 and 900 million rubles in recent years. What is significant is that its far larger than it used to be, far more, for example, than the 60 million rubles turned over in 1960. Soviet foreign trade world wide has recently been hovering around 50 billion rubles so that trade with Latin America constitutes less than 2% of total Soviet foreign trade.

The trade deficit with Latin America represents the reverse of Soviet experience with developing countries as a whole, with which the USSR has been running large surpluses. That surplus was over 300 million rubles in 1975 and exceeded 1.8 billion

rubles in 1978. Soviet imports from Latin America constitute about 20 to 25% of imports from the developing countries and Soviet exports to Latin America are only 2 to 4% of exports to them.

Argentina was among the USSR's earliest trade partners in the hemisphere and with one exception, has traded more with the USSR than any other Latin American country. The exception is Brazil which moved out front during the Goulart years (1961-64) and from 1971 through 1977. In 1978 Brazil's trade dropped to half its earlier levels, possibly due to curtailment of Soviet exports of oil, and Argentina forged ahead. One of these two countries has often been among the USSR's leading trade partners from the developing countries, but ordinarily behind Egypt, India, Iran, and Iraq.

The Soviet Union has bought a wide variety of consumer's goods from Argentina: wool, yarn and clothing as well as grain, frozen meat, and wine. (Table III.4) In recent years Soviet purchases have hovered near or above 200 million rubles. It is striking that before 1978 Argentine purchases from the USSR didn't reach 14 million rubles, a small fraction of Soviet purchases. Argentine purchases jumped to 22 million rubles in 1978. Much of Argentina's purchases have been power equipment, machinery, storage tanks, and various types of industrial vehicles. In spite of these purchases the Soviet trade deficit with Argentina has been huge.

The trade pattern with the USSR's other major trading partner in Latin America, Brazil, has been similar. (Table III.5) Soviet purchases have been heavy in consumer items, such as coffee, cocoa, rice, and wool, as well as some clothing items. Soviet exports to Brazil have been large, far larger than to Argentina, but most the exports have been oil or oil products, often as much as 90% of Soviet exports to Brazil. Exports of Soviet machines and equipment to Brazil have usually been below exports in these categories to Argentina. The USSR is facing its own oil crisis and it will be increasingly difficult to make oil available to Brazil so that unless Brazil can be persuaded to buy other Soviet exports, trade between the two countries will suffer. In fact, it already has; the total turnover in 1978 was only a little more than half

Table III.4

Soviet Trade with Argentina

Soviet Imports

		1974	1975	1976	1977
Total	Millions of rubles	131.5	293.7	225.4	191.6
	Thousands of rubles				
	Pipe	271	4,790	3,917	6,180
	Fine sheep's wool	31,089	25,069	25,130	40,174
	Coarse wool	5,880	3,500	958	343
	Wool yarn	744	—	5,349	2,681
	Upper leather for footwear	639	1,670	3,205	9,437
	Semi-finished leather	10,841	6,325	12,962	13,990
	Agar	71	396	—	119
	Wheat	20,201	103,521	122,649	10,800
	Corn	40,423	111,659	31,560	34,397
	Fresh-frozen meat	15,342	23,669	2,636	30,703
	Linseed Oil	10	4,302	9,333	17,297
	Grape wine	—	—	1,118	1,928
	Top coats & outer wear (or upper leather) & fur and underwear (except knitted)	—	330	—	—
	Printed matter	—	13	23	16

Soviet Exports

		1974	1975	1976	1977
Total	Millions of rubles	6.0	10.7	8.5	13.4
	Thousands of rubles				
	Machines, equipment & vehicles	1,461	8,052	5,885	10,417
	Power equipment	—	—	25	2,660
	Specialty machines	—	—	2,069	2,715
	Storage tanks	123	2,758	786	3,760
	Truck cranes	—	772	—	—
	Pneumatic tire cranes	—	317	—	—
	Hoisting and transport eqpmnt.	—	—	905	—
	Anti-friction bearings	55	252	60	239
	Trucks	1,154	1,623	—	—
	Spare parts for trucks, except motors	34	13	711	54
	Pig iron	1,217	1,056	—	—
	Sodium dichromate	2,698	1,293	2,287	2,621
	Medicines	90	85	129	132
	Goods for cultural and household purposes	56	36	140	80
	Printed matter	40	15	118	62
	Motion pictures	15	9	15	18

Sources: Vneshniaia Torgovlia SSSR Statisticheskii sbornik for the years 1974-1977.

Table III.5

Soviet Trade with Brazil

Soviet Imports

		1974	1975	1976	1977
Total	Millions of rubles	112.0	302.9	369.4	209.6
	Thousands of rubles				
	Sisal hemp	3,568	—	674	146
	Fine Sheeps wool	151	1,467	—	—
	Wool yarn	4,708	2,057	2,767	8,201
	Castor oil	—	8,252	4,336	6,047
	Oiticica oil	1,401	1,771	—	—
	Corn	35,114	85,026	54,271	5,264
	Soy beans	—	—	248,338	106,804
	Coffee, natural	16,841	21,535	19,361	28,640
	Cocoa beans	32,341	16,181	22,652	12,335
	Cocoa oil	16,047	2,830	9,216	4,471
	Cocoa liquor	—	11,464	5,189	4,918
	Sugar cane	—	84,140	—	—
	Rice	—	—	—	22,840
	Soluble coffee	304	—	—	—
	Silk fabrics	—	—	222	—
	Leather footwear	—	—	—	4,050
	Medicines	1,056	1,280	921	1,013
	Printed Matter	6	6	5	5
	Motion pictures	36	—	—	—

Soviet Exports

		1974	1975	1976	1977
Total	Millions of rubles	90.0	93.3	76.1	104.4
	Thousands of rubles				
	Machines, equipment & vehicles	6,374	3,480	2,617	3,611
	Metal cutting machine tools	1,698	1,693	1,534	2,688
	Hydro-electric stations	4,227	879	—	—
	Eqmnt. for printing industry	69	12	11	6
	Instruments & laboratory eqmnt.	21	—	61	98
	Anti-friction bearings	651	1,103	986	511
	Tools	20	47	5	3
	Crude oil & oil products	79,237	88,724	70,291	95,597
	Copper	84	—	—	—
	Zinc	536	66	—	—
	Aluminium	2,113	—	—	—
	Chemical products	133	—	—	—
	Bicarbonate of soda	13	—	—	—
	Chrome oxide	120	—	—	—
	Potassium salts	—	—	1,658	2,694
	Cement	460	728	184	—
	Medicine	308	90	250	135
	Watches	276	91	128	172
	Cameras	3	3	3	—
	Printed matter	16	20	17	66
	Motion pictures	6	6	8	7

Sources: Vneshniaia Torgovlia SSSR Statisticheskii sbornik for the years 1974-1977.

the turn over in 1977.

Until 1978 Peru was the USSR's third best customer in Latin America. One distinguishing aspect of the trade relationship has been that the USSR has recently had a small trade deficit or, as in 1977 and 1978 a trade surplus with Peru. It is not clear why the USSR does not buy more from Peru as a means of taking payment on the huge Peruvian debt incurred to cover the purchases of Soviet military equipment. (Soviet military sales are not shown in Soviet trade statistics.) Soviet imports from Peru in 1976 and 1977 included non-ferrous metals, wool, fish meal, and coffee beans. These items total only about two-thirds of Soviet purchases, and one third, curiously, remains unexplained.

Another matter of interest is that almost all Soviet exports to Peru, are machinery and equipment. Peru is by far the largest purchaser of such items in Latin America. They include storage tanks, ships, and aircraft (including helicopters).

Soviet trade with Bolivia is distinguished by the fact that Soviet imports are almost exclusively tin. The direct bilateral relationship is to the parties' advantage since they do not need to pay a commission to a middleman as had been the case before commercial relations were established. Bolivia's purchases from the USSR have been almost exclusively machinery and equipment, especially for mining and transport. Bolivia moved ahead of Peru in 1978 as the USSR's third ranking trading partner in Latin America.

Uruguay has been one of the more active partners from time to time as was Chile during the government of Salvador Allende. (Tables III.2 and III.3) Considering the size of its economy and the effort expended there, Mexico has never been an important trading partner. Nevertheless, trade turn-over of 13.4 million rubles in 1978 was a record level, and fifth for Latin America.

Trade with Venezuela is distinguished from that of most other countries in that the USSR almost always had a surplus, though small. It buys little of nothing in Venezuela and sells the Venezuelans ammonia sulphate and granular urea, plus luxury

items like canned crabmeat, caviar, vodka, and motion pictures.

In spite of an absence of formal diplomatic or trade relations the USSR has been selling Panama several millions of rubles a year in consumer items, no doubt for sale to travelers: vodka, watches, cameras, and television sets.

Trade composition. The Soviet Union has mainly bought the traditional agricultural products of Latin America: hides and wool from Argentina and Uruguay, coffee from Brazil and Colombia, cocoa from Brazil and Ecuador. More recently the USSR has begun to buy non-ferrous metals from Peru, alumina from Jamaica and Guyana, and tin from Bolivia. The purchasing pattern is irregular with wide variations in quantity from year to year, and sometimes with trade in a popular item cut out entirely. The list of items traded is relatively short.

At peak years Latin America has sometimes provided the USSR with 50% of its coffee, 25% of its cocoa beans, 100% of its linseed oil, 60% of its tung oil, 30% of its coarse hides, and 15% of its wool.² The USSR has bought wheat and corn in Argentina and corn and rice in Brazil. As an expression of its policy favoring the purchase of finished or semi-finished goods from developing countries, the USSR has bought in Latin America semi-finished hides, wine, cloth, and shoes.

The USSR has tried hard to promote the sale of its machinery and equipment in Latin America. As can be seen by the table below, Soviet sales of such equipment are low and not a large part of total exports. Nevertheless, they are rising rapidly. Such exports include hydroelectric and thermal power equipment, mining equipment, metal working machines, construction equipment, and vehicles. Nonetheless, a large part of Soviet exports are still in raw or semi-finished materials such as oil, aluminum, and cement. Other popular Soviet exports include watches, which have sold in huge quantities to Panama and Venezuela, caviar, vodka, and motion pictures.

Table III.6

Soviet exports of machinery, equipment and
transport to Latin America

(Millions of rubles)

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Machines, equipment and transport	4.4	3.6	3.1	15.4	20.7	16.4	44.2	28.6	44.4
All exports to Latin America	22.6	7.8	13.2	26.5	41.2	109.1	146.6	117.7	162.2

Sources:

Strany SEV i Latinskaia Amerika, problemy ekonomicheskogo sotrudnichestva. Moscow, 1976. Table 3, p. 28. Figures for 1975 and later were calculated from the Soviet foreign trade yearbooks, Vneshniaia Torgovlia.

Trade promotion: In order to reduce the huge trade deficit with Latin America, Soviet officials have been concentrating effort on increases in Soviet exports to the area. This urgent Soviet interest is reflected in virtually all the government and scholarly literature and in interviews with Soviet officials and scholars.

Soviet trade promotion efforts are highly formalized and the same or similar patterns are followed with almost all countries, including Latin America. Among the standard devices for export penetration is the Soviet industrial exhibition. The first in Latin America was Buenos Aires in 1955. Another important such exhibition was held in Mexico in late 1959. Deputy Chairman of the Council of Ministers, Anastas Mikoyan, visited that exhibition before his first visit to Cuba under Castro. Also under the sponsorship of the USSR Chamber of Commerce and Industry is Soviet participation in the world trade fairs, such as in Buenos Aires (1976), Bogotá (1978) and Lima (1979). In recent years the USSR has often been represented at only one trade fair in Latin America.

Fundamental to establishing trade ties is an intergovernmental trade agreement, sometimes referred to as a framework agreement. Such agreements are extremely important to the Soviet Union because they constitute evidence of willingness on the part of the Latin American partner to trade. If such willingness is absent or fitful,

Soviet trade organizations know through long experience that difficulties and obstacles to trade are likely to become so great as to nullify their efforts. Equally important, individual units of the Soviet bureaucracy do not ordinarily operate on their own. They need a juridical basis and policy decisions for such action. The bi-lateral trade agreements provide the official authority and mechanism for engaging the huge Soviet bureaucracy concerned with foreign trade. Countries with which the USSR has trade agreements include: Argentina (1971), Bolivia (1970), Brazil (1969), Colombia (1968), Costa Rica (1970), Ecuador (1969), Guyana (1973), Jamaica (1978), Mexico (1973), Peru (1969), Salvador (1974), and Uruguay (1969).³

The next step is to expand Soviet trade specialists in the countries concerned either under Commercial Counselors at the Embassies or by appointing trade representatives in the two capitals. The trade representatives may have a larger staff and separate office space. The USSR maintains trade representatives with responsibility for fomenting trade at the majority of the countries listed above. The trading partners usually also establish mixed commissions which meet annually to plan trade expansion. These arrangements are vital to the Soviet side since trade is conducted through the state monopoly.

Soon on the heels of the trade agreement often comes an agreement for the purchase of Soviet machinery and equipment. These usually are open ended lines of credit on prearranged terms. Some of the recent agreements provide for installment payments over a ten year period on the basis of interest at 4.5% for government organizations, and 5% for private business. A down payment due at specified times after signature of contracts under the agreement has often totaled 15%. In some cases, for example, the 15% down payment may be borrowed from western banks and the remaining 85%, financed by the Soviet side. Payments are made in convertible currency.

Such agreements exist with all of the USSR's major trading partners in Latin America and the USSR appears to stand ready to sell its machinery and equipment to buyers in most Latin American countries on these very favorable terms. The USSR

does not have such an agreement, for example, with the military junta in Chile nor the Stroessner government in Paraguay and probably would not sign such an agreement. But the Soviet government appears to be eager to conclude such agreements and make sales with all but a very few Latin American governments. Originally, many of these agreements provided for credit up to a certain amount, such as \$100 million, but wide open as to date. Now the tendency is to leave the amounts open but to specify the date of availability. According to one source, Latin American countries have drawn down only \$525 million of the \$2.4 billion of credit from Communist countries extended between 1958 and 1978. About 40% of those credits were extended by the USSR.⁴

The USSR has been counting on big projects to bolster Soviet trade with the area. Clearly, such projects involve purchases of Soviet machinery and equipment, more than can ordinarily be sold piece meal through private Latin American importers. But perhaps more important, such projects of dramatic size and economic impact attract attention to the sales capacity of the Soviet economy. And of course, these huge projects demonstrate Soviet scientific, technological, and managerial talents. If successful, such projects can attract business not only from the host country but from countries throughout the hemisphere who send observers to the site. The first Soviet built steel mill in India is given credit, for example, for much of the subsequent expansion of Soviet economic relations with India. Soviet officials responsible for such projects look favorably on Latin America as more advanced on the whole, than Asia or Africa. One such official commented that unlike Africa, "one doesn't have to bring positively everything with you". In Latin America, some partial Soviet participation in huge projects has taken place and the USSR has begun to design and bid on other projects, but no big project has been completed.

The big projects are coordinated by the State Committee for Foreign Economic Ties. Some of these are complete plants, that is turnkey projects in which the USSR provides all manpower equipment, and supplies. The most promising field in Latin America for

such Soviet projects are hydroelectric stations designed for irrigation and power generation. Designs for the largest of those, the Urra hydroelectric project on the Alto Sinu in Colombia, was completed in 1978.⁵ The Soviet Union has also explored such projects in Brazil, Uruguay, Argentina, Peru, and Costa Rica. There are smaller projects which, while not sufficiently complex to require the participation of the State Committee, do involve large sales and a useful demonstration effect.

The Capivari hydroelectric station, the first equipped with Soviet generators in Latin America, went into operation in March 1977 in the state of São Paulo, Brazil. The Leningrad Plant furnished four generators of 165 megawatts each for this station. Subsequently, a Brazilian power company ordered 5 Soviet generators of 178 megawatts for the Sobradinho hydroelectric station in the state of Pernambuco, Brazil. The Sobradinho station will have a gigantic reservoir which is expected to have a big impact on the development of agriculture in the region.

Soviet trading organizations have also been working with Argentine officials and power companies. In 1973 the Argentines gave the Soviet bidders an order for 14 turbines and generators for a hydroelectric station at Salto Grande on the Uruguay River being built jointly with Uruguay. The USSR has also had orders to supply thermal electric stations at San Nicolas, Luján de Cuyo, and Constanera.

The USSR's largest opportunity in Argentina is a hydroelectric project on the Middle Paraná River. The project involves a complex series of dams from Corrientes to Santa Fe on the Paraná River. A Soviet firm was awarded a contract to prepare a final design for the project: presumably this will give the USSR the inside track on supply turbines and generators for the dams worth about US \$2.5 billion.⁶

Most other Soviet projects have been located in Peru. The most ambitious, at Olmos, involves a plan to bring water from the Amazon basin through a 20 kilometer tunnel to the Pacific slopes of the Andes. The water would irrigate a huge area along the coast and have two hydroelectric stations with a combined capacity of 360 megawatts. The Soviet Union was awarded a contract to design the project; in late 1979

Soviet preliminary design work was complete and further progress depended on the Peruvian authorities resolving financial difficulties.

The USSR also collaborated in the equipping of a large fishing complex at Paita on the Peruvian north coast. The Soviet equipment was provided for receiving the catch, refrigeration, ice making, power generation, and repair shops. The complex was shut down recently when the fish disappeared from Peruvian waters.

Soviet specialists have also been helping Peru plan other hydroelectric stations at Rentama on the Marañón River and at Checca in central Peru. Peru also awarded a Soviet firm a contract to assist in the expansion of a steel mill at Chimbote and the construction of a new mill at Nasca. The Chimbote plant has now been expanded, the Soviet study at Nasca completed, but the initiation of construction of Nasca has been postponed. Peruvian economic problems in the late 1970's have brought many of the projects in Peruvian-Soviet cooperation to a halt.

Export prospects. Soviet authorities maintain that any significant expansion in trade with Latin America depends now on Latin American willingness to expand their purchases from the USSR, an understandable argument in view of the current imbalance in trade. What is the likelihood of such expanded economic ties?

Discrimination against the USSR on political and business grounds continues to plague bilateral trading relationships. Visas are sometimes delayed; political criticism of the USSR rubs off on Soviet trading representatives. Political discrimination is gradually subsiding in many countries and has now become more of a nuisance than an absolute barrier to trade.

Business prejudices, reluctance to purchase Soviet goods because of assumptions of their inferiority, and a preference for trade with the West, are serious obstacles to the expansion of Soviet exports. Mistakes in judgment also hurt Soviet sales. In Mexico, for example, the fact that Soviet tractors proved too light for Mexico's needs and that the contract had to be terminated put a damper on future business. Since most Latin Americans are used to imports from Western Europe or North America, it is

proving hard for the USSR to break into the Latin American market.

Yet Soviet machinery and equipment does have advantages for certain areas, such as the Andean countries. Since it tends to be less complicated, maintenance is easier, requiring less highly trained personnel. Lower Soviet prices and better credit terms can also help compensate for qualitative differences. Nor are hard currencies necessary, especially when purchases in the USSR can be offset by sales to the USSR.

Latin Americans sympathetic to trade with the USSR are beginning to insist that the latter provide better guarantees and better local servicing. Although Soviet sales do not seem likely to increase dramatically, it should not prove too difficult to increase exports gradually over the existing low levels. From the Soviet perspective gradual increases may be most prudent because the overheated Soviet economy would probably have difficulty filling a wave of new orders for several items, such as turbines and generators.

The Soviet Union has many years of experience that improves its prospects for competing with the West in certain lines. Hydroelectric power and irrigation projects, of which there are many huge examples in the USSR are strong Soviet offerings. Brazil, Argentina, and the Andean countries all need power and irrigation facilities. Soviet mining and oil equipment might also serve the Andean countries well; Bolivia's preliminary experience with the Soviet smelter appears to be good. As a major producer of oil, the USSR has many skills and heavy equipment available. The USSR has produced many vehicles which have been durable and useful: trolleybuses, trucks, taxis, and helicopters. The USSR has much experience in fishing most recently augmented by their dramatically successful collaboration with Cuba.

In the immediate future, progress hinges on outcomes of negotiations with certain countries. Brazil has a system and a political outlook that has proved discouraging to Soviet suppliers. Some Brazilian officials may have opposed Soviet business, reinforcing existing anti-Soviet prejudices. With the USSR less and less able to

sell oil to Brazil, immediate prospects there are not encouraging.

Argentina, and most particularly the Middle Paraná project, offer the USSR its best immediate prospects. Many of the Argentines have an anti-Communist cast of mind but have no trouble separating business and politics particularly when business with the USSR is profitable. Part of the problem in Argentina is that changes in political and governmental personalities, legal delays, and the like, have been holding up progress.

The Peruvians have close relations with the USSR and probably would move ahead smartly but their fiscal and debt problems are among the most acute in the Americas. So, for the immediate future Peru is on hold. The USSR is now moving ahead to build another smelting plant for the Bolivians, but seems cautious about grandiose involvements due to the limited fiscal capacity of the Bolivian government. Two other small countries that would like to move ahead, that is get Soviet credits to help finance their development, are Jamaica and Guyana. Their small populations and limited resources, however, have made the USSR cautious. The same applies to Costa Rica which wanted but did not get Soviet financing in developing large dams and hydroelectric projects in the South.

Mexico and Venezuela are both prized partners by the USSR but both have oil, sophisticated economies, and close ties to Europe and the United States. Especially considering the size of their economies, their trade with the USSR has been disappointing. Mexico is collaborating with the USSR in many fields, but until more concrete results are achieved, skepticism seems warranted with respect to trade. The Soviet economy is less complementary to these oil producing states than to other countries in the area.

Two countries where there has been little trade in the past, Colombia and Ecuador, may offer good prospects for the future. The hydroelectric project in the Alto Sinu is a specific example. Both countries can use help in hydroelectric power, oil, mining and transport.

Soviet officials concerned with economic relations with Latin America are not buoyantly optimistic about the future. They have worked so hard and long with modest results that they are discouraged. Nonetheless, they continue doggedly ahead, and progress is made little by little.

My own view is that Soviet hydroelectric, mining, transport and other equipment should meet the needs of some Latin American countries, especially in the Andes, and that the USSR wants trade with these countries enough so that capital goods and related services can be priced attractively. Over the long term and in the absence of global disturbances the Soviet share of Latin American trade should rise considerably. After all, the base now is 1 or 2%. It is difficult, however, to conceive of a circumstance when in the region as a whole, the Soviet share would exceed Latin American trade with the United States or leading Western European states.

Some readers may have noticed that I have made scarcely any reference at all to Soviet "aid" to Latin America. There are two reasons for this. First, outright grants are very few, and often limited to national disasters when the USSR sends medical equipment, personnel, and various forms of reconstruction facilities. Second, what most analysts refer to as Soviet aid are in fact Soviet lines of credit for the purchase of Soviet machinery and equipment. The downpayment and the interest terms are low and the repayment period fairly long. Compared to commercial terms in the west, Soviet terms are concessionary. Yet I am not convinced that these lines of credit should be counted as aid, and if they are, their nature should be understood. Often, governments have availed themselves of very little of this credit because they have not wanted to buy Soviet machinery and equipment. My own tendency is to regard these credits primarily as an inducement to Latin American governments to promote the sale of Soviet goods, not totally dissimilar to Export-Import Bank credits. My impression is that Soviet officials have a similar view of these credits and tend to regard them as a form of "economic cooperation".

Notes

1. Supplement to No. 4 of the journal, Vneshniaia Torgovlia SSSR za ianvar'-dekabr' 1978 g (Statisticheskie dannye).
2. Strany SEV i Latinskaia Amerika, problemy ekonomicheskogo sotrudnichestva, Moscow, 1976, p. 24.
3. Ibid., p. 29.
4. U.S. Central Intelligence Agency, Communist Aid to Less Developed Countries of the Free World, 1977, Washington, D.C., 1978, p. 6 and p. 25.
5. U.S. Central Intelligence Agency, Communist Aid Activities in Non-Communist Less Developed Countries 1978, Washington, D.C., 1979, p. 30.
6. Latin American Economic Report, Vol. VI, No. 45, p. 1.

WHICH WAY TO SOCIALISM?

Party Relations

Soviet diplomatic and economic relations represent only part of Soviet relations with Latin America. The USSR is the only Great Power, and also the only government, which has helped found, support, and guide political parties in almost every Latin American country. Emissaries of the USSR got many of those parties started, Marxism-Leninism is their bible, and the Soviet Union their model state. Studying Soviet relations with Latin America without studying the relations between the Communist Party of the Soviet Union (CPSU) and the Latin American Communist Parties would be worse than ignoring multi-national corporations in studying U.S. policies toward the area.

Soviet Doctrine. The Soviet leadership is irrevocably committed as a matter of principle to support of national liberation movements and the ultimate achievement of socialism in Latin America. These goals are taken for granted not only in the Party, but in the Ministry of Foreign Affairs, the Ministry of Foreign Trade, and the Academy of Sciences' Institutes, to mention only a few Soviet organizations concerned with Latin America. The Soviet official commitment to these goals is probably more firmly held, carefully articulated, and consistently pursued than the U.S. commitment to encourage democracy and free enterprise abroad. In the past the Communist Parties in Latin America have been perceived as instruments of Soviet policies, and they still are today, with an occasional exception. Obviously, it is necessary to exclude those non-Soviet Marxist groups, such as the Trotskyites, Macists, certain Castroites, and probably the Cuban Communist Party itself from the list. The policies of the remaining Communist Parties, the so-called pro-Soviet parties, are scarcely distinguishable from the policies of the Soviet Communist Party itself. For these reasons it is necessary to go to the authoritative source of Soviet policies, the Congresses

of the CPSU to learn how the Soviet Communists plan to achieve socialist revolution.

The Soviet position on this subject has been expressed at the regular Party Congresses since Stalin beginning with the Twentieth Congress in 1956 and up to the Twenty-Fifth Congress in 1976. A key issue is whether armed struggle or political participation are the appropriate roads to socialism. The most authoritative statements are by Party Secretary Nikita Khrushchev and his successor, Leonid Brezhnev. The Party line is clear; what changes over the years is emphasis and tone. Here is my oversimplification of the Soviet position:

- 1) The local Communist Parties may take either the armed or non-armed road, or some combination thereof. Local conditions determine which road is followed.
- 2) Communists should take the non-armed road where feasible. If armed opposition appears, the Communists will probably then have to resort to arms to defend the revolution.

Here is how Khrushchev treated this issue at the Twentieth Party Congress:

In present-day conditions the working class in many capitalist countries. . .uniting around itself the working peasantry, the intellectuals and all the patriotic forces. . .has an opportunity to defeat the reactionary anti-popular forces, to win a firm majority in parliament and to turn the parliament from an agency of bourgeois democracy into an instrument of the genuinely popular will. [This] would create conditions for the working class of many capitalist and formerly colonial countries to make fundamental social changes. Of course, in those countries where capitalism is still strong where it possesses a tremendous military and police machine, a serious resistance by reactionary forces is inevitable. The transition to socialism in these countries will take place amid sharp revolutionary class struggle.¹

Brezhnev had a most interesting application of this line to the failure of the Allende government in Chile, which was overthrown in September 1973. It will be recalled that the Allende government was the first case in history where the Communists came to power (as junior partners of the socialists) through free elections. Many observers interpreted the Allende failure to serve out his term as a proof that the peaceful, or more accurately, non-armed road to socialism, will not work. Brezhnev and other leading Communists interpreted Allende's experience quite differently, and in so doing, defended the established Soviet position on roads to socialism:

The tragedy of Chile does not fail to reinforce the conclusions of the Communists about the possibilities of various roads of revolution, including the peaceful road, if for this, the necessary conditions exist. But it was a forceful reminder that revolutions ought to know how to defend themselves.²

Soviet doctrine on these points is reiterated at the conferences of Communist and workers parties and the regional conferences of the Communist Parties of Latin America and the Carribbean. At the Moscow Conference in 1957, for example, the attending parties agreed that:

The forms of transition of various countries from capitalism to socialism may be different. . .the working class has the possibility on the basis of worker and national fronts. . .to gain state power without civil war and guarantee the transfer of the means of production to the people. . .In conditions in which the exploiting classes resort to force against the people, it is essential to keep in view another possibility, the nonpeaceful transition to socialism. In each country the actual possibility of one or another form of transition is determined by concrete historical conditions.³

At the Havana meeting in 1975 the Latin American Communist Parties took a similar position:

The utilization of all legal possibilities is an indispensable obligation of the anti-imperialist forces. . .Revolutionaries are not the first to resort to violence. But it is the right and duty of all people's and revolutionary forces to be ready to answer counter-revolutionary violence with revolutionary violence.⁴

Official Party statements on this subject are difficult to interpret. My impression, however, is that there has been a change of emphasis and tone in the last twenty years. When Khrushchev first enunciated this line, one had the impression that the non-armed road was received as desirable, but perhaps less likely than now because of opposition to the Communist movement. Now official party statements seem to suggest that the non-armed road to power is more feasible than before because local conditions have improved and world communism is stronger. Other evidence that tends to support my interpretation is that further detail has been added about the non-armed or, as is sometimes said, the parliamentary road. The classic organizational device for that approach since the 1930's has been the national or popular front, that is, a coalition of left and center parties that share certain common views, most particularly anti-imperialism or anti-fascism. At the Twenty-Fourth Congress,

for example, Brezhnev specifically mentioned left-socialists as qualifying for inclusion in these fronts.⁵ At the Twenty-Fifth Congress the party spectrum was explicitly broadened to include revolutionary-democratic parties.⁶ Khrushchev earlier had been cautious about recommending ties with such parties.

International Organization. Most of the authoritative statements of the Latin American Communist Parties are consistent with the elements of Soviet doctrine described above, as well as with Soviet doctrine in general. How is this conformity achieved?

The responsible Soviet body is the Latin American section of the Secretariat of the Soviet Communist Party. The Secretariat has about 30 party professionals concerned with Latin America under the leadership of Mikhail Fedorovich Kudachkin. That group is responsible not only for bilateral relations with the parties but also for keeping abreast of all aspects of Soviet-Latin American relations since the Party is ultimately responsible for coordinating and approving government policies towards the area. Kudachkin's group works within the Party's international department headed by Politburo member Boris Ponomarev.

Under the Communist International in the 1920's and early 1930's there were cadres of East European, West European, and American radicals who brought the Communist movement to Latin America and ran it for Moscow. Some of the men who left their mark on the Latin American movement were M. N. Roy, Mikhail Borodin, Sen Katayama, Bertram Wolfe, Jules Humbert-Droz, Vitorio Codovila, and Fabio Grobart. In the 1930's Stalin purged many of the Comintern agents, others have since died, and only a few, like Fabio Grobart in Cuba, have gone on to honorable retirement.

Many of the Comintern's leading agents were bright, articulate, intellectuals who had many years residence in Western Europe or the United States. They were well read and knew many languages. Most important, they had an evangelical and entrepreneurial spirit vital for attracting political support. It was a time for free wheeling and risk taking. Such men have never been replaced. Few of the early agents

were actually Russians, and most of those emigres. Men raised in the Soviet Union, no matter how talented, cannot easily substitute for the life experience the early Comintern agents had.

Most Soviet Latinamericanists are home grown. They have spent years studying the area and its languages; they have much book knowledge and speak Spanish remarkably well. Yet of the dozens I met, only a handful had actually lived there. Some had made an occasional visit. They had hardly any knowledge of day to day living in particular countries; what customs are, the nature of prejudices, political habits, manners--all the things that are essential for "operations in the field". Soviet diplomats and journalists with experience in Latin America, probably know the area but there are only a few since diplomatic and press relations are rather new in most countries. And Soviet diplomates live more isolated lives than the diplomats of most western nations.

More important, however, is the absence of independent operational experience in the region on the part of most Soviet party members. They are all members of some huge, hierarchical organization in which authority flows from the top down. The Latin Americanists I met in the Academy of Science and in the Ministries were employees or officials. The result is that it is hard to conceive of these men leading the world revolution, nor is it likely that this has occurred to them either. I suspect most support the abstract, almost rhetorical goal of socialist revolution, and they will welcome it when it comes to individual countries. I doubt that many feel committed personally to any particular Latin American revolutionary movement.

The Latinamericanists on the Secretariat have more authority, political scope, and, presumably, self-starting qualities. This group, however, appears small and with continuing management responsibilities. As a result, the real leadership of the Communist Parties in most countries rests with the recognized local leadership, as it no doubt should anyway. While Soviet party officials visit the parties occasionally

and there may be local Soviet liason representatives, much of the control and coordination appears to be exercised through visits to Moscow.

The leaders of the Latin American Communist Parties come to Moscow, some frequently. Some leaders such as Luiz Carlos Prestes lived there. In addition to their contacts with the Secretariat, such leaders have informal ties with the Foreign Office and many call at Instiutes of the Soviet Academy of Sciences, such as the Institute of the Workers' Movement and the Institute of Latin America. Here they lecture and lead discussion groups with specialists.

The leaders of almost all Communist Parties make speeches at Congresses of the CPSU. These speeches serve a disciplinary function since the contents almost invariably support the approved Soviet line. Another means of coordinating Soviet and Latin American Communist policies is through the official journals of the international movement published in Prague. These are the World Marxist Review and its separately published Information Bulletin. Prague is a site where Soviet influence is strong and there is an international staff which is responsive to Soviet guidance. Conferences on various themes are called from time to time with participation of party members from around the world.

Coordination is achieved in Latin America through Congresses of the local parties. When a particular party has its national Congress, leaders from around Latin America and from the Soviet Union usually attend. Such gatherings provide further opportunities for ensuring common adherence to the international line.

There are also the international conferences of the Communist and workers parties, such as the meetings of 1957, 1960, and 1969. There have also been regional conferences in Havana in 1964 and 1975.

The patterns described above do not have as tight an organizational form, nor the formal obligations of the old Communist International. The Soviet leaders probably compromise from time to time, and may learn from their foreign party colleagues. The foreign parties are so numerous, however, that the Soviet leaders are almost

forced to set the line to maintain cohesion in the movement. Most parties fall in line. The Mexican Party sharply criticized Moscow over the Soviet invasion of Czechoslovakia,⁷ and there are no doubt other deviations, most of which are not permitted to surface. With few exceptions the facades remain remarkably uniform.

The Communist Parties in Latin America are small and weak compared to Communist Parties in Italy, France and Spain. Most Communists have been struggling most of their lives in what are essentially hostile environments. Members are both poor and few. How could they have continued to function all these years without Soviet help? How could they have been able to publish a daily newspaper or a monthly journal when few or no other political parties of comparable size have been able to do so? And that support can be moral as well, for example, from fellow Communists in neighboring countries, and from the ultimate source of strength, the USSR.

The Communist Parties have had remarkable continuity in leadership compared to other Latin American political parties. In fact, the Communists make a career of Communism, serving in most cases their entire lives. Many of the old timers served or are still serving for decades, some since before World War II: Luiz Carlos Prestes, Manuel Mora Valverde, Blas Roca, Rodolfo Ghioldi, Gilberto Viera, Pedro Saad, Jorge del Prado, and Rodney Arismendi. Provided they don't misbehave, such men can count on the Soviet Union: to make an international issue of their arrest; to provide them rest and refreshment; to provide medical care; to help them in old age; to commemorate them in death. The relationships are reciprocal. Is it so surprising that small Communist parties are faithful to the international Communist movement's central leadership?

As the parties grow stronger, however, central controls become more difficult to maintain. For one thing, the local memberships become larger, more complex, and less responsive. Secondly, the party leadership has a stronger political base and therefore is less dependent on outside assistance. That explains in part why the Cuban Communist Party is probably the most independent in Latin America.

The international Communist movement under Moscow sponsorship has been working in Latin America since 1919. When one compares its progress with that of other ideological movements (socialist, fascist, christian democratic), international communism has done very well. What other nation state has political parties espousing its cause in almost all the countries of Latin America and elsewhere in the world? Yet, if one compares Communist membership with that of other parties in individual countries, that membership is very small in almost all cases except Cuba. (Table IV.1) The table does not show another important trend, namely that since the the 1950's a number of radical Marxist parties on the left (Castroite, Maoist, and other) have grown up to challenge the orthodox Communists for control of the revolutionary movement.

The figures on Party membership in Table IV.1 are only estimates and should be read with caution. But they are probably the best available. Membership appears to have increased sharply in Mexico and, as one would expect, in Cuba. Otherwise, membership trends generally appear to be level or declining.

Table IV.2 shows Communist participation in elections and parliaments. Even in Chile under Allende, the Latin American government that has come closest to Castro, the Communists only had about 17% of the vote. Significantly, they received 26% in Guyana. Or, take countries where Soviet economic ties are most important. In Argentina the Communists got 2 out of 312 seats and in Peru 6 out of 100 seats. In Brazil and Bolivia the Communists made no independent showing at all, a result due more to the political system than to a complete absence of Communist sentiment in those two countries.

The two Tables show that, outside of Cuba, membership in the local Communist parties and political participation in legislative bodies is low. Both characteristics suggest that Communist political influence is not great.

Communist Armed Struggles. Communist revolutionaries have been active in Latin America now for about sixty years. All have maintained as a long term goal over-

Table IV.1

Pro-Soviet Communist Parties in Latin America

	<u>Membership</u>		
	<u>1962</u>	<u>1973</u>	<u>1979</u>
Argentina (PCA)	50,000	70,000	70,000
Bolivia (PCB)	4,000-5,000	—	500
Brazil (PCB)	25,000-40,000	6,000	6,000
Chile (PCCh)	18,000-20,000	120,000	100,000
Colombia (PCC)	8,000-10,000	10,000	10,000-12,000
Costa Rica (PVP)	300	1,000	3,200
Cuba	27,000	120,000	200,000
Dominican Republic (PCD)	—	470	—
Ecuador (PCE)	2,000-3,000	500	1,000
El Salvador (PCES)	500	100-150	225
Guadeloupe (CPG)	—	3,000	—
Guatemala (PTG)	1,000-1,100	750	750
Guyana (WPVP) (PPE)	—	100	—
Honduras (PCH)	1,500-2,000	300	650
Martinique (CPM)	—	1,000	—
Mexico (PCM)	5,000-6,000	5,000	100,000
Nicaragua (PSN)	200-300	60 (PSN)/40 (PCN)	50
Panama (PCP)	150	500	450-600
Paraguay (PCP)	5,000	3,000-4,000	3,500
Peru (PCP)	5,000-7,000	2,000	2,000
Uruguay (PCU)	3,000	22,000	—
Venezuela (PCV)	20,000	3,000-4,000	—

— = Not Available, Unknown

Sources:

1962: U.S. Department of State, Bureau of Intelligence and Research, World Strength of the Communist Party Organizations, Washington: U.S. Government Printing Office 1962

1973: Ibid., 1973

1979: Yearbook of International Communist Affairs 1979, Hoover Institution Press, Stanford, California

Table IV.2

Pro-Soviet Communist Parties in Latin America
Electoral Strength Since 1970

<u>Country</u>	<u>Percentage of Votes</u>	<u>Seats in the Legislature</u>
Argentina ^a		2 of 312 (1973)
Bolivia	None	
Brazil	None	
Chile ^b	16.90 (1971)	29 of 200 (1970)
Colombia	1.9 (1978)	3 of 311 (1978)
Costa Rica	2.7 (1978)	2 of 57 (1978)
Dominican Republic	None	
Ecuador	5.1 (1978)	
El Salvador	None	
Guadaloupe		7 of 36 (1976)
Guatemala	None	
Guyana	26.0 (1973)	14 of 53 (1973)
Haiti	None	
Honduras	None	
Jamaica	None	
Martinique		3 of 36 (1976)
Mexico	None	
Nicaragua	None	
Panama	None	
Paraguay	None	
Peru	5.9 (1978)	6 of 100 (1978)
Uruguay ^c	[6 (1966)]	
Venezuela	9 (1978)	22 of 195 (1978)

Sources:

Yearbook of International Communist Affairs 1979, p. 27, except for:

^aYearbook. . .1974, p. 227, La Prensa, March 11, 1973, p. 1.

^bYearbook. . .1973, p. 305.

^cYearbook. . .1972, p. 429.

In 1971 election Communist candidates were absorbed into Frente Amplio.

throwing the existing order, by force if necessary. Yet the pro-Soviet Communists in Latin America resorted to organized insurrections (as distinct from sporadic use of force) three times: 1) an insurrection in El Salvador in 1932, which was quickly suppressed, 2) an insurrection in Brazil in 1935, which was quickly suppressed, and 3) guerrilla movements in Venezuela, Guatemala, and Colombia in the 1960's. So far the Communists' use of force has always failed. The case of Castro in Cuba does not count because the Communists opposed Castro during most of his armed revolt, and he only absorbed them and joined the USSR after Batista's defeat. Nor do the cases of Ché Guevara and other left wing armed rebels which are described below.

The first Communist insurrection took place in El Salvador in January 1932. In that month the Communists took part in municipal and congressional elections and claim to have won. When the government refused to review the ballot count, the Communists decided to attempt to seize power. The Communists had developed a following within the armed forces and organized the insurrection in military units. President Martinez received a warning of the impending insurrection, and quickly arrested many of the participants, including the Communist military leader, and suppressed the Communist press. Party leaders sought to prevent the insurrection from taking place but word did not reach all the units in time. Many of the Party's leaders were captured and shot. The Party was largely destroyed and was unable to reorganize for several years.⁸

The insurrection in Brazil in 1935 was similar in many ways. Under the leadership of the famous Brazilian military hero and Communist, Luiz Carlos Prestes, the Communist Party sponsored a popular front organization called the National Liberation Alliance. The Alliance appeared to be gaining political influence rapidly, particularly among organized labor. President Vargas was strongly opposed to the Alliance and declared it legally dissolved. In the face of this government action the Alliance decided to revolt and declared Prestes President of Brazil. The Brazilian Army quickly suppressed insurrections in Rio de Janeiro and other cities and arrested most

of the leaders of the Brazilian Communist Party. The Party was then forced underground.⁹

Soviet responsibility for the guerrilla movements of the 1960's is a more complex question. Fresh from the victory of his guerrilla struggles in the Sierra Maestra, Fidel Castro provided the theory, the model, and the impetus for the guerrilla movements. Shortly after overthrowing Batista, Castro launched armed assaults on a whole series of Caribbean dictatorships, all of which failed. It was then he turned his attention to reformist governments against which the guerrilla movements of the 1960's were directed. The central theme of the developing dispute between Havana and Moscow was over the relative emphasis that should be given to the armed and non-armed roads to socialism.

Venezuela became the main arena for competing strategies, since Cuba found it conveniently nearby for pursuing the objectives of national liberation. In the early 1960's the Communist Party of Venezuela (PCV) joined up with a radical faction (the MIR) of the governing Acción Democrática in a guerrilla organization called the FLN. The Communists' formal commitment to armed struggle lasted from 1962 until 1965 when they began a retreat from armed warfare.¹⁰ During those years violence in Venezuela escalated and the government decisively put it down in 1964 and early 1965. Partly for this reason the Venezuelan Communists, that is the main group of the pro-Soviet party, decided to suspend armed action. Meanwhile, Douglas Bravo, one-time member of the Politburo of the pro-Soviet Party, lead a group favoring continued armed action out of the PCV.

A retrospective Soviet appraisal of the Venezuelan Communists involvement in the partisan movement is most revealing. It is contained in an authoritative textbook used in party schools and dealing with the history of the international worker's and national liberation movements:

The government of Leoni tried to carry out a more flexible foreign and domestic policy but opposition in the country to the anti-democratic regime continued to grow. However, the Communists at that time made a serious

mistake. They concentrated all their strength in the development of the partisan struggle and significantly weakened their work in the masses, which lead to growth in the party of sectarian tendencies.

Anarchist and putschist attitudes grew in the partisan detachments. The opinion was spread that the partisan detachments were the embryo of "the real Communist party" and the partisan movement, the decisive strength of the national revolutionary struggle.

A difficult situation in the Communist Party developed. At the end of 1966 the Party was forced to begin the gradual rolling up of the partisan movement.

In the Eighth Plenum of the Central Committee in April 1967, the Communist Party of Venezuela was subject to criticism for its mistakes and worked out a new political line. That line was directed at the development of the mass movement for satisfying the economic demands of the workers, against the terror and repression, for the liberation of political prisoners, and the legalization of the Communist Party of Venezuela and the left revolutionary movement.¹¹

In a sense the Soviet critique of the Venezuela movement serves as a symbol, to a greater or lesser degree, of Soviet attitudes to other failed Latin American partisan movements.

Guatemala was another country where members of the pro-Soviet Communist Party, called there the Guatemalan Labor Party, were one of several left wing radical groups to form the partisan movement called the Rebel Armed Forces. The relationship between the Party and the leaders of the partisan detachments, in which several organizations split and reformed, was difficult from the start. The military commanders insisted on controlling the partisan groups and placed far greater emphasis on paramilitary activities than the party leadership, the latter stressing political organizational activities. By 1968 there was a split between the Guatemalan Labor Party and the partisan forces with the former emphasizing the necessity of mobilizing mass support by appealing to the needs and interests to the masses. The Partisan Forces, on the other hand, said that "armed struggle is. . .the only path to complete liberation and independence",¹²

The Colombian Communist Party is a special case in that it has long combined both electoral and violent political strategies. In the 1950's and earlier, the Party

backed partisan warfare against the then dictator Rojas Pinilla.¹³ Subsequently, under the National Front, Communists expressed sympathy or solidarity with the guerrilla movements but have not participated directly as an organization. Since 1966 they have maintained close ties, possibly formal control over the Fuerzas Armadas Revolucionarias de Colombia (FARC) whose leader Mario Marulando Velez was once on the Party's politburo.¹⁴ In fact, the Communist Party and its long time leader Gilberto Veira give priority to legal political activities and the electoral struggle while maintaining that the Party's strategies may also include armed struggle. Communist leaders see little hope for the few armed bands operating in the interior; they are reluctant to pay the political price that dissassociation would involve.¹⁵

The Communists were even less closely associated with the partisan movement in Peru than in Colombia. In 1965 the Peruvian Communists did not view the local situation as revolutionary, nor did they consider themselves strong enough to influence it decisively.¹⁶ The Communists did not accept Debray's thesis that the foco could create the conditions for revolution, nor that a revolutionary situation existed in Peru.¹⁷ The partisan movement had a brief life from about 1963 to 1965, in which year it was crushed.

The most dramatic conflict between the pro-Soviet Communist Party and the partisans took place in Bolivia. Here Mario Monje, the Secretary-General of the Bolivian Communist Party, refused to subordinate the Party to Ché Guevara's leadership¹⁸ and Guevara's partisan movement went forward without the support of the Party. As a result, he lacked the men, arms, and supplies or much other support from the countryside. His historic conversation with Monje took place at the end of December 1966 and Guevara was executed in October 1967.

The guerrilla detachments in the Andean countries and Guatemala had been largely if not totally wiped out by 1967, the date of Ché Guevara's death. Their failure to attract more fighters to their detachments or to expand the political struggle largely bore out the criticism directed against them by local Communist Parties. Now, however

the focus shifted to the East Coast of South America, and especially to the cities.

The most famous of the urban partisans were the Tupamaros operating in Montevideo. The original leaders of the group came from left wing socialists and anarchists with a strong Marxist-Leninist cast to its program. Yet, the Tupamaros operated independently of the Uruguayan Communist Party, and have now been largely wiped out by police action. The National Liberation Action of Brazil was formed by dissidents of the Brazilian Communist Party, most particularly Carlos Marighela. He broke with the Brazilian Communists over the issue of armed forces and has expressed his agreement with Castro on this subject.¹⁹ Similarly, guerrilla groups in Argentina, like the Montaneros, began from political organization opposing the pro-Soviet Communists, such as the left-wing Perónists, Castroites, and particularly Trotskyites. Through these years the Argentine Communists have concentrated their effort on the "mass struggle", that is attracting popular support through legal means.

Castro vs. Moscow. During the 1960's Latin America was an arena of struggle for the leadership of the hemispheric revolutionary movement. Castro stood on the left making the case for guerrilla warfare mainly on the basis of his successful experience in Cuba. Even if a country did not seem ripe for revolution, Ché Guevara, Régis Debray and others held that a small group of revolutionaries, the foco, could create a revolutionary situation.

The Soviet Union and most of the fraternal Communist Parties did not accept the Debray thesis, or at least its prospects in Latin America. While they did not oppose the use of force in principle, the orthodox Communists did not believe that it would succeed. Many of the leading Communists were too old to lead partisan forces in the field; in the unlikely event such forces won, the established Communist leaders would probably lose control over their own movements to the young guerrilleros. If these partisan movements failed, the Communist leaders and their following rightly feared that they and their allies would be pursued, jailed, perhaps killed. The guerrilla campaign risked setting the Communist movement back a decade or more.

The orthodox Communists also criticized the proponents of guerrilla warfare on more fundamental grounds. The Communists purpose is not simply to seize power; the real objective is to make a socialist revolution. That means seizing the means of production and placing them in the hands of the state to serve the working class and the peasantry. Such a revolution requires more than a weak grip on the state organs; it requires broadly based political support. To seize power prematurely, before the social transformation can successfully begin, also sets back progress towards the ultimate goal.

Castro's prestige and capacity to sponsor partisan detachments in various Latin American countries faced the Soviets with a complicated challenge. The left was badly split. Not only were there Castroites, but there were also Maoists and Trotskyites who shared Castro's attachment to armed struggle. The latter groups, although small, were part of a challenge to Soviet preeminence in the global not just the hemispheric Communist movement. The Soviet leadership could not afford to be outflanked on the left by openly attacking the partisan movements prematurely, isolating itself from what was then one of the most dynamic sectors of the revolutionary movement. As a result, the orthodox Communist parties supported the guerrillas briefly in Guatemala and Venezuela, turning against them later. By the end of the 1960's the pro-Soviet Communist Parties were aligned against the guerrilla movements, themselves following the contrasting line of legal political electoral activities and the building of widely based popular fronts. In their retrospective accounts Soviet authorities explicitly condemn the leaders of the guerrilla forces as having been guilty of "left opportunism". These views are elaborated at length in a book on the Latin American Communist Parties edited by the chief of the Latin American section of the Secretariat of the Soviet Communist Party. According to this source, the ultra-leftist mood came to prevail among new participants in the revolutionary struggle and took the form of an attack on elements of the Communist Parties. "The partisan movements in many countries of Latin America failed not so much because of imperialism

and reaction, but because of isolation from the working class, the laboring masses as a whole, through mistaken tactics and forms of struggle". Soviet Communist leaders had the view that the guerrillas underestimated national factors, lacked faith in the revolutionary potential of the working class, and refused to make a realistic appraisal of the existing balance of forces and needs of the moment. In this view, all these errors, and making armed struggle an absolute value, led to failure and dealt the national liberation movement a serious blow.²⁰

While the pro-Soviet Communist parties were maneuvering vis-a-vis the guerrilla leadership within individual countries, the struggle over revolutionary strategies continued in regional and wider forums. In 1964, for example, Havana played host to the pro-Soviet Communist Parties of Latin America. The Soviet Party leaders went part-way to mollify the Cubans by agreeing to "active support for those who are currently being subjected to cruel repressions as, for instance, the Venezuelan, Colombian, Guatemalan, Honduran, Paraguayan, and Haitian fighters".²¹ This appeared to constitute approval for guerrilla campaigns in those countries while leaving parties in other countries free to take other roads toward power. Since the USSR was represented at the Conference and the Chinese were not, the latter were deeply offended and the Conference contributed to the isolation of China from the Latin American Communist parties. Again, at the Tricontinental conference in January 1966 Castro seized the occasion to emphasize the priority he gave to armed struggle and to promote the influence of the guerrilla movements as compared to the orthodox Communist Parties.²² The resolutions seeming to support subversion embarrassed the Soviet authorities who took the trouble to disavow such resolutions as official policy in notes to Latin American governments with which they maintained diplomatic relations.²³

In the end events proved Moscow and the orthodox Communists right. The guerrilla movements in Guatemala, Venezuela, Colombia, and Peru were decisively crushed. Other parties on the left, including the Communists, were hurt badly in the process. The

coup de grâce against the Cuban supported guerrilla strategy came in Bolivia with the failure and execution of Che Guevara in 1967. Castro was at last convinced that armed struggle in most Latin American countries would not work. Since that time the Soviet leaders concerned with Latin America and Castro have concentrated most of their efforts on the united front and other forms of political recruitment within existing legal frameworks.

The Lessons of Chile. Many of the controversial strategic issues that arose about how to seize power reappeared in new form under the Allende government in Chile (1970-1973). Castro had learned many lessons during the 1960's and in contrast to his more flamboyant and romantic earlier views urged caution on Allende. But the new President was forced to deal with radical elements on the left who sought to push the revolution ahead far and fast.

The actions of the Chilean Communist Party during its participation in the government and the pro-Soviet Communists retrospective analysis of the Chilean revolution are among the most authoritative discussions of the international communist movement about the path towards Communism, that is whether it should be peaceful or violent.

The Communist Party was the sponsor and motive force behind the coalition of left wing Chilean political parties that backed Allende for President unsuccessfully in 1964 and successfully in 1970. The Communists worked hard to maintain unity inside the leftist coalition, directed their main efforts at mobilizing popular support for their program, and competed actively in the country's various elections. In general, they defended the constitution and civil liberties, partly because the democratic framework provided them with protection and the best opportunity to expand their political base.

In the policy and political struggles of Allende's government, the Communists opposed ultra-leftists who sought to force the pace of social change more rapidly than the Communists believed realistic. The Communists feared correctly that violent methods would alienate the middle class and other groups, whose support Allende

needed.²⁴ The Communists felt that moving too precipitously would deprive the Allende government of support it needed to survive, a view that was confirmed by events.

In an authoritative assessment of the lessons of the Communist achievement in Chile with Allende, the leading Chilean communists did not repudiate the peaceful road to socialism. On the other hand, they reaffirmed the validity of that road in the Chilean case by pointing out that Allende was elected to the presidency and important strides forward were made during his tenure of office.²⁵ They also reaffirmed their policy of moderation and support for Allende against the ultra-leftists. Soviet retrospective appreciations of the ultra-leftist Chilean political party, the MIR, are harsh. The MIR, it will be recalled, while not a member of the Allende government, attempted to push it leftward and served as a kind of rival movement to the Allende government. They were responsible, for example, for illegal land seizures. A Soviet source explained how "the Chilean Communist party repeatedly unmasked the traitorous and provocative role of the MIR, which by its irresponsible seizures of small private enterprises and lands pushed a significant part of the middle sectors into the camp of reaction, facilitating the implementation of the fascist coup in the country".²⁶

In fact, the orthodox Communists identify the main problem of the Allende government as political, that is the failure of his government to maintain sufficiently broad political support. As one member put it, "the key problem. . . was to achieve monolithic working class unity and gather round it, under its leadership a strong alliance of the intermediate sections of the populations, above all the peasants, and also the middle strata of the urban population."²⁷ Interestingly enough in the light of Communist criticism of U.S. interference, this member also held that "the key to success" lay with internal factors.²⁸ For these purposes the Communists frequently emphasized their own efforts to work with the Christian Democrats as well as Marxist parties on the left.

The Chilean Communists are equally emphatic that the Chilean experience does not and should not indicate that the peaceful and violent roads to revolution are mutually

exclusive. In fact, they emphasize that the Chilean experience shows the need at times to combine methods and be prepared to switch flexibly from one to another as circumstances dictate.²⁹

Current Strategies. The most authoritative recent treatment of the strategies of the Latin American Communist Parties is contained in a book entitled The Great October [Revolution] and the Communist Parties of Latin America, edited in 1978 by M. F. Kudachkin, head of the Latin American staff on the Secretariat of the Soviet Communist Party. According to this source, the Latin American Communists' activities should be determined by "the strategic line designed to complete the tasks of the anti-imperialist and democratic revolution". This means that the Communist Parties should orient their activities against imperialism, most particularly U.S. imperialism and carry out the "democratic" revolution. The latter involves the achievement of broad economic and political rights for the masses of the people, but which falls short of the socialist revolution. Presumably the democratic revolution provides the Communist Parties with the best opportunity of expanding their political influence and protects them against repression from the right. It is a stage which supposedly precedes the socialist revolution.

In the present stage of political development of Latin America Soviet leaders view the political situation in Latin America as extremely dangerous for the working class. They recall the tragedy in Chile, point out existing threats to efforts at revolutionary transformation in Peru and Panama, and fascist tendencies in Argentina and other countries. As a result, they seek "the widest unity of Democratic forces", The Latin American Communist parties are to create "wide anti-imperialist and democratic coalitions, popular fronts".³⁰

In describing the strategies of the various Latin American Communist Parties, the Soviet specialists divide countries into three categories: 1) Where patriotic circles of the armed forces are in power and are carrying out an anti-imperialist and democratic transformation (Peru, Panama); 2) Where liberal reformist bourgeois

circles are in power (Venezuela, Colombia, Costa Rica, Mexico, and Argentina); and
3) Military dictatorships (Chile, Brazil, Bolivia, Paraguay, Guatemala, Uruguay, Nicaragua, Haiti).

In Peru the Communist Party seeks the widest possible alliance of progressive military, worker, and peasant forces and supports the progressive measures of the government, thereby seeking to promote the further transformation of society. The Parties cooperation with the government continued after the more conservative Morales Bermudez succeeded Velasco Alvarado as President. A Party delegation ostentatiously visited the former in May 1977 to give its comments to the government's plan, Tupac Amaru. The Communists also worked closely with Torrijos in Panama. In Peru and Panama, the Communist Parties with other democratic parties and organizations collaborated with the military government forming "temporary political blocs and coalitions".³¹

In the countries with liberal reformist governments, listed above, the Communists' strategy is "to unite the democratic and patriotic forces, isolate the right and liquidate the threat of coups d'etat, preserve and expand democratic freedoms and the social achievements of the people, etc." Such parties seek to build broad alliances in order to establish a united front of popular forces. Such a front includes the left wing of the traditional bourgeois parties, socialists, christian democrats, independent left radicals, democratic social movements, labor unions, organizations of the middle sectors.³² In Argentina, the Communist Party was threatened immediately following General Jorge Videla's coup against Isabel Perón. When the new military government "refused to pursue Communists and Perónists", the Communist Party continued its "struggle for the union of democratic and patriotic forces on the basis of a program of democratization of political life, the freeing of political prisoners, and the ending of the terroristic activities of the ultra-right and ultra-left".³³ The Party stood for progress on the road to democratization and a military civilian government with a wide backing and capable of structural changes,

thereby seeking to avoid open conflict with the military regime. The Argentine Communists have sought to avoid direct confrontations with the government or personal attacks on the President, General Videla. Instead, they have identified two competing trends within the government, one fascist and one democratic, and the Communists should try to assist Videla in following the latter trend. Their objectives involve conventional democratic freedoms, including the release of political prisoners some 100 out of several thousand being Communists. The Party also has supported Videla's foreign policy, particularly relations with the socialist countries.³⁴

The Colombia Communist Party went into opposition against the "pro-monopoly" course of Liberal President Lopez Michelson and joined in the National Opposition Union (UNO) which was supposed to be a first step toward the formation of a patriotic front of national liberation. The UNO put up a candidate in the 1978 elections but won only 1.9% of the popular votes. The Popular Vanguard Party, the Communists of Costa Rica, are a small group with relatively little influence. In Mexico the Communist Party is influential primarily among students and intellectuals.³⁵ In recent years the Party has given first priority to seeking legal rights for several small parties on the Left, including itself, to offer candidates in presidential and parliamentary elections. Again, the Communists are seeking to form coalitions to expand their influence on the left and center.

Military dictatorships constitute the third category of Latin American regimes used by Soviet analysts. Perhaps, the first thing one notes about this category is the absence of Argentina despite the fact that General Jorge Videla, a military man, has been ruling there since he overthrew Perón's widow in 1976. Argentina was listed among the liberal reformist regimes even though Videla has taken police action against some Marxist-Leninist groups. No doubt the Soviet analysts' decision not to put Argentina in the military dictatorship category is due partly to the fact that the pro-Soviet Argentine Communist Party has announced support for Videla on selected issues and Argentina appears to have selected as the central focus of the Soviet

economic offensive in South America.

According to the Soviet analysts, the priority task of the Communists in the military dictatorships is "to promote the formation of wide antidictatorial and anti-fascist front designed to overthrow reactionary regimes, establish citizens' rights, and achieve a matured socio-economic transformation".³⁶

The list of the dictatorships fall naturally into two categories, those with which the USSR has diplomatic realtions (Bolivia, Brazil, and Uruguay) and those with which it does not (Chile, Paraguay, Guatemala, etc.). In Bolivia, where the USSR has a large tin refining project and fairly extensive cultural relations, the Communist Party has been collaborating with many other left wing parties in an effort to restore a civilian democratic government. In the confusing electoral and political events of 1979, the Party supported ex-President Hernán Siles Suazo.

In Brazil the Communists have been subject to much suppression and the Party leadership was forced to go abroad.³⁷ Luiz Carlos Prestes, now an old, old, man, until late 1979 when the government relaxed relations with the Communists, lived in Moscow/ The Party characterizes the present regime in Brazil as military-fascist. The Communist support the Brazilian Democratic Movement, the only opposition group allowed by the government. The latter has participated successfully in elections defeating government candidates. A small and persecuted group, the Brazilian Communists have few options. . . This may partially explain why "we Communists consider participation in elections important for the working class and the working people. . . . We see them as one of the ways of inflicting defeat on the dictatorship. . . obviously, in a crisis situation everything will depend on the development of subsequent events". No doubt this latter reservation left the way open eventually to the use of force.³⁸ The Party's demands include restoration of constitutional standards, repeal of all repressive legislation, release of all political prisoners, freedom to form parties, including the Communist Party, direct elections, including presidential elections, and the calling of a constituent assembly. The Communists seek a free political climate in which they can reorganize and broaden their political following.

In the past, some have seen contradictions in the high level of Soviet purchases in Brazil, for a while the largest in Latin America, with the vigorously anti-Communist policies of the Brazilian military government. Others have complained about Soviet "aid" to Brazil in references to the large credits offered to finance Soviet sales. In fact, economic relations between Brazil and the USSR has been limited mainly to trade. Some knowledgeable Brazilians believe that neither side has come close to realizing the potential benefits of that trade primarily because of the anti-Communist prejudices of Brazilian businessmen and the anti-Communist policies of the government. As an indication of the naiveté of Brazilian business men, one rich Brazilian industrialist visiting Moscow was overheard protesting to a countryman that "I am not a Communist". As to the credits offered, these are designed primarily to promote Soviet exports--not to help Brazil.

The Uruguayan Communist Party, and most particularly its leader, Rodney Arismendi, have been among the most reliable collaborators in Latin America with Moscow. The Party has only a few thousand members and attempts to make its influence felt through the Frente Amplio, the prohibited but still active opposition on the left. The Communists want to expand participation in the Frente by attracting collaboration from the National Party which is also against the military government.

The other military dictatorships, which do not have diplomatic relations with Moscow, are even more authoritarian and repressive, and have forced the Communist Parties underground. Under such conditions political organization is barely possible. In Chile, the Communists look to their alliance with the Socialists as the corner stone of an anti-facist front. Other parties which were in the Popular Unity government of Allende are also included, but the Communists want to make the organized opposition even broader, including the Christian Democrats.³⁹ Soviet treatment of Communist opposition in Chile uses rather vague political terms; nonetheless the use of the term "resistance" and other indications suggest that eventually the Communists view an armed uprising as possible, or likely, when opposition to the junta is strong

enough. In Paraguay and Guatemala the small Communist Parties also seek to organize opposition to the entrenched military dictatorships. The Parties' leadership meet secretly and their underground activities are more likely to lead eventually to armed resistance as long as conventional political campaigning is outlawed.

The implications of the current party strategies for Soviet political and economic relations with Latin America are discussed in the concluding chapter.

Notes

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CONCLUSIONS

The Soviet Union has long been attracted to Latin America and believes that the region offers unexploited economic and political opportunities. Until the 1970's Moscow was not in a good position to capitalize on them. Now, as we enter the 1980's the USSR is better established than at any previous time in history in all the large and many of the smaller countries of Latin America.

In the 1970's the USSR dramatically increased its imports from and exports to Latin America. Many Soviet officials, who do not deny the strategic priority of the Asian countries along the Soviet border, consider Latin America more advanced economically than most Asian and African countries. For this reason, they view Latin America as having a better potential as an importer of Soviet goods and technology, and as a better business prospect.

Soviet leaders and analysts also view Latin America as an arena for challenging U.S. "imperialism" on its home ground. They assume, not always incorrectly, that there are strong currents of anti-Americanism in the region, fruits of years of U.S. hegemony. As a result, Soviet leaders expect that these anti-American currents will facilitate closer relations with the USSR and suit the interests of the local Communist parties.

One handicap the USSR used to have was an absence of diplomatic relations with most Latin America countries. Before World War II, the USSR had official ties with only two countries, Mexico and Uruguay, and then only for a short time. There were diplomatic relations throughout the cold war with only three countries: Argentina, Mexico, and Uruguay. Rapprochement began with other countries in the 1960's when Cuba, Brazil and Chile established relations. Then at the end of the decade five Andean governments agreed to exchange representatives with Moscow. Other nations, like Costa Rica, Guyana, and Jamaica followed suit. Now the USSR lacks relations with

Chile, a few Central American and Caribbean countries, and Paraguay.

Soviet trade with Latin America has also increased sharply. Soviet imports rose from 70 million rubles in 1970 to 526 rubles in 1978. Soviet exports went up from 8 million to 95 million rubles in the same period. Most of the major capital cities have Soviet trade missions and Soviet goods are exhibited widely in the hemisphere. Soviet engineers, technicians and managers are working at hydroelectric, factory and other sites in several countries.

Binational institutes for the study of Russian Language and culture exist in most capital cities and in some provincial areas in Latin America. Soviet athletic teams and performing arts groups tour the continent. Soviet publications and radio programs, both in local languages, are widely available in the region.

Just as the Soviet Union is more visible in Latin America, so too are Latin American interests more prominent in the USSR. About three thousand Latin Americans, other than Cubans, are studying in the Soviet Union. The Latin American diplomatic colony in Moscow is larger and better known than it used to be.

The staffs of the Ministry of Foreign Affairs and the Ministry of Foreign Trade have grown to cope with increased business. The State Committee for Foreign Ties, the USSR Chamber of Commerce, press, and propaganda agencies now have wide interests in Latin America. The Institute of Latin America is firmly established in the Academy of Sciences and Latin American specialists are working in virtually all of the other relevant Academy Institutes.

The much increased Soviet diplomatic and economic relations with Latin America have changed Latin America's bureaucratic representation within Soviet society. Until the 1970's most Soviet contacts with Latin America were through the Communist parties. It used to be that in the Politburo, the members who had important operations in Latin America, were only from party organizations. Now, all that has changed in that government leaders like the Minister of Foreign Affairs, the Minister of Foreign Trade, and others, have concrete interests in the area. At the meetings of the

Politburo, a member of the Party Secretariat, such as Boris Ponomarev, is not the only person fully entitled to speak on the area. Men like Chairman of the Council Ministers Kosygin and Foreign Minister Gromyko also have relevant bureaucratic interests there.

The effect of this is to give greater prominence than before to Soviet state interests with respect to Latin America as opposed to Party interests. In some cases, for example, decisions will have to be made on the priority to assign to trade or political relations with a particular government or to support for the Communist Parties opposition to that government. The new pattern of relations may result in more emphasis on bi-lateral state ties and less on revolutionary activities.

One reason that the Soviet Union has been able to expand its political and economic relations with Latin America is because most of the governments have seen fit to exchange diplomatic and commercial representatives with the USSR. For years these governments refused to do so because of Soviet involvements with Communist Parties which were viewed as subversive of the existing order. Now, most Communist Parties are not advocating armed insurrection but participation in the legal national political process.

Another cause for Latin American rapprochement with Moscow has been the loosening of Latin America's political and economic ties with the United States. One result of this is that Latin American governments have been reaching out to strengthen their relations with Western Europe, Japan, and now the socialist countries as well. Also many countries, like Argentina, Peru, and Jamaica, have hoped for profitable business with the USSR so that economic motives have been important.

Finally, the global climate in the late 1970's has been propitious. Détente, SALT, Helsinki were all symbols of lowered tensions between the United States and the Soviet Union. Latin Americans have found that under these circumstances closer relations with Moscow were easier to arrange.

The USSR has several important objectives in Latin America. The first is to

increase exports to the area and wipe out the trade deficit. Latin Americans are happy to sell their own exports to the USSR, but have not rushed to buy from the Soviet Union. In some years the Soviet trade deficit with Latin America has been a substantial fraction of the overall Soviet trade deficit. The USSR hopes to promote its export in the area through large demonstration projects in such industries as hydroelectric power, steel, and heavy machinery and equipment. For political as well as economic reasons, the Soviet Union would probably like to sell arms to Argentina and Mexico, as well as to the only established buyer, Peru.

Soviet traders are disappointed and depressed by the still skimpy results of their efforts in Latin America. The problems in each country are different. Argentina has expressed more interest in Soviet trade than most other countries but political instability and change has held up progress. Brazil is the largest market but politically the most incompatible with Moscow. Peru has been the Soviet Union's closest trading partner but also has the most severe debt and fiscal problems.

The high Andean countries may have the most to gain from a Soviet economic tie. Unlike countries such as Venezuela and Mexico, who have oil, most do not have ready access to hard currency markets. Nor do they need the most sophisticated machinery and fancy equipment. The latter are difficult to operate and expensive to maintain. Instead, they need powerful and durable equipment. And this is precisely the kind of equipment in which the Soviet Union has long attempted to specialize. The USSR is fairly eager to sell so prices and financing should be attractive.

The Soviet Union appears to have as another objective the strengthening of political relations with many Latin American governments. High on this list are Mexico and Venezuela, partly because of their efforts to conduct foreign policies independent of the United States, partly because of their influence in the Third World. Jamaica and Guyana are more important politically for the USSR than the size of their population or economies would suggest because of their commitment to social change and their leaders' prominence. The Soviet government also is committed to keeping close

relations with Peru despite its swing to the Right under Morales Bermudez. The Soviet moratorium on payments on the Peruvian debt proved that. The USSR also will welcome any developments in Argentina and Brazil favorable to better relations with the USSR.

The Soviet government now has diplomatic relations with most Latin American governments with which it desires association. Panama is an exception. Soviet publications have long lumped Panama together with Peru as "progressive" military regimes. Panama and the USSR will probably establish diplomatic relations as soon as Panamanian relations with the United States simmer down. Moscow may also reach out to Nicaragua as long as such action does not provide a pretext for hostile action against the fledgling government. Relations with the government of the Dominican Republic under the shadow of Washington probably intrigues Moscow, but the initiative would probably have to come from Santo Domingo. The Soviet Union does not appear interested in diplomatic relations with the Central American dictatorships, Haiti, or Paraguay.

The Soviet Union is also committed to a third major objective, the victory of the national liberation movements in Latin America. The Communist Parties are the main Soviet interest in those movements but they also include other revolutionary groups. Communist parties now exist in almost all the countries of Latin America. Except in Cuba, such parties are small compared to most other political parties. Their voting strength is often only two or three per cent and rarely exceeds 17%. On the whole, Communist membership and voting strength are not growing.

A major issue within the national liberation movement is whether to follow the armed or non-armed road to socialism--that is whether the Communists and other revolutionaries should seek to overthrow existing governments by force or compete for a political following in order to come to power within the legal political framework. The pro-Soviet Communists tried armed insurrection only twice in Latin America before the 1960's and failed in both cases. The Soviet Union and the old guard Communist leadership were reluctant to support the guerrilla movements of the early 1960's but did so in few cases in order to keep the International communist movement together

and protect their own leading role. As the orthodox Communists had feared, the guerrilla movements were wiped out in a few years, many Communists were shot, imprisoned or exiled, and the national liberation movement suffered severe setbacks.

The failure of the guerrilla detachments made it easier to unite the Communist Parties behind the "peaceful" road to socialism. In the Allende government in Chile, the Communists opposed the ultra-leftists and extremists who put pressure on Allende to move rapidly to the left. When Allende fell, the Soviet authorities and the Chilean Communists reaffirmed their preference for the "peaceful road", saying that Allende's election and three years in office attested to its validity. They also agreed that Allende's fall showed that there may be times when force is required to defend the revolution.

Soviet and Communist criticism of the use of force was not based on condemnation of that method in principle. On the contrary, the Communists have been explicit that force may be necessary, especially to oppose counter-revolutionary violence. They also maintain that sometimes violent and non-violent methods need to be combined. The reason they are quite strongly opposed to force in most cases now is that they think that it won't work, and that such action will damage the movement.

Now the Communists in most countries favor "democratic" rights, that is civil liberties and free elections. Where these already exist, they wish to work within the legal system. Such goals are not ultimate goals. They are desirable primarily because they provide the best opportunity to conduct the political work, publications, speeches, etc., to attract a larger following, gain greater prominence in political life, and avoid repression. The ultimate goal is socialism in which civil liberties and free elections are subordinated to the interests of the socialist state.

Communists in Latin America, for the most part, are critical of "ultra-leftists" and "putschists", that is those who support armed insurrection. These small groups are not strong enough to seize and stay in power. Even if they did get a grip on

government, the political groundwork has not yet been laid for the extensive social changes required in the transition to socialism.

The Soviet Communists don't have the initiative in these matters. Instead, they must await domestic developments in individual Latin American countries. Nicaragua, possibly El Salvador, are about the only promising countries from their perspective. Although confident about the eventual outcome, Soviet publications and Soviet specialists are generally pessimistic about the prospects on the national liberation movements in the short and medium term.

An interesting new development might involve the simultaneous use in Latin America, of the two contrasting ways to socialism. On the one hand, the local Communists might continue to support and act within the legal framework in countries, such as Mexico and Venezuela. Here they would follow the now dominant popular front policies, attempting to widen their own ranks through close association with other parties. On the other hand, other Communists might turn to armed insurrection in military dictatorships with ripe revolutionary situations. Guatemala and eventually Chile might be such cases. Part of the Communists problem now about the armed road is that most of the armed partisan movements in Latin America have Trotskyite, Castroite, Maoist, or other origins. These latter groups are better at paramilitary activity than most Communists and are sharply critical of the Communist parties. The Communists would probably find it difficult to dominate armed insurrections in many countries.

The simultaneous use of armed insurrection in one country and legal political work in another, might raise difficult questions of strategy for democratic parties in Latin America and for the United States. Democratic groups might approve armed action in Chile and Guatemala and oppose it in most other countries. The United States and its closest allies in the hemisphere would need to give close attention to flexible postures vis-a-vis the contrasting situations.

The Soviet Union's growing political and economic ties with Latin America have several implications for the United States. The USSR has gained new positions for its diplomacy and propaganda against U.S. "imperialism". Now with embassies in most of the Americas, Soviet diplomats will have direct access to Latin American governments and the accompanying opportunities to capitalize on errors and weakness in U.S. diplomacy. The Department of State should expect that such errors, as the Bay of Pigs and the Dominican intervention, may prove more costly politically than in the past because Soviet diplomats will be in a better position to exploit U.S. mistakes.

Perhaps, more importantly, the new Soviet presence may require U.S. diplomacy to take special care in relations with governments favoring rapid social change, such as Nicaragua, Jamaica, and Guyana. The innovations of such governments are likely to affect existing private and public interests in the United States. With the history of the early Castro regime in mind, U.S. authorities should take care not to create a situation in which the governments concerned turn to the Soviet Union. That will not happen if the Latin American governments believe they have more to gain in cooperation than in conflict with the United States.

The Soviet Union's growing political and economic ties with many Latin American countries also have a positive side from the U.S. official perspective. The closer the political and economic relations between the USSR and individual Latin American governments, the less likely it is that the pro-Soviet Communist parties will stir up trouble against those governments. That appears to be the case now in Argentina, and possibly Brazil. Already, the local parties under Soviet guidance take more moderate positions than revolutionary groups on the left which advocate the use of violence. In Allende's Chile, for example, the Communists opposed "ultraleftists" whose violence and extremism ultimately contributed to his fall.

My first goal in this paper has been to describe and interpret those aspects of recent Soviet relations with Latin America that are relevant to policy making. Some readers may have reached conclusions on the basis of this material about what U.S.

policies should be, and there are policy related allusions in many sections. Neither time nor space permit me, however, to make explicit policy recommendations. I hope to do that in later publications.

Note: The author welcomes corrections, suggestions, and comments, which should be sent to Cole Blasier, Department of Political Science, University of Pittsburgh, Pittsburgh, Pa. 15260