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A TEN-POINT U.S. PROGRAM TO BLOCK SOVIET ADVANCES IN SOUTH AMERICA

INTRODUCTION

Soviet leader Mikhail Gorbachev is planning to visit South America late this year. This first visit ever to the southern part of the American hemisphere by a Soviet leader highlights Moscow's efforts to increase Soviet influence in the region. Since 1959, when Fidel Castro seized power in Cuba, challenging the Monroe Doctrine has become one of the Kremlin's geostrategic goals. The 165-year-old doctrine, declaring that the Americas are off-limits to other "great" powers, no longer is respected by Moscow.

The Kremlin's underlying long-term objectives in South America clearly include:

- 1) Forcing the U.S. to divert military resources from other regions in the world to defend its Western Hemisphere interests.**
- 2) Embarrassing Washington by exposing ineffective and inconsistent policies.**
- 3) Undercutting U.S.-Latin relations.**
- 4) Gaining expanded influence in the region.**
- 5) Increasing influence without having to subsidize yet another impoverished economy such as a Cuba, Nicaragua, Ethiopia, or Vietnam.**

In pursuit of these objectives, Moscow follows a two-track policy, combining normal diplomatic and economic initiatives with clandestine support for guerrilla insurgents, terrorists, and drug cartels. Such Soviet proxies as Bulgaria, Cuba, East Germany, Libya, Nicaragua, North Korea, the Palestine Liberation Organization (PLO), and Vietnam have helped Moscow challenge U.S. regional security interests. Soviet beachheads in Cuba and

Nicaragua, for example, enable the Kremlin to transfer arms and gather sensitive intelligence throughout the region. A growing "anti-Yanqui" Latin spirit, meanwhile, has allowed the Soviet Union and its allies to expand trade agreements, diplomatic and political relations, and cultural exchanges with South America.

In the Gorbachev era, Anatoliy Dobrynin, who was ambassador to the U.S. for 24 years and now heads the Soviet Communist Party's International Department, and Politburo member Aleksandr Yakovlev, are the two main architects of the new policy toward South America.¹ They are cultivating ties with the large, industrialized nations of Argentina and Brazil. This mixes Moscow's traditional strategy of mainly supporting leftist insurgent groups and hard-line Marxist-Leninist revolutionary regimes with a more formal government-to-government approach.

To protect U.S. security interests in South America, while limiting and eventually reducing Moscow's influence, Washington must adopt a ten-point program consisting of:

1) Making all of Latin America a high foreign policy priority. The next president's first official overseas trip should be to Latin America. Stops should include Argentina, Brazil, Chile, and Uruguay.

2) Reiterating U.S. security interests as proclaimed in the Monroe Doctrine and the 1982 Symms Resolution. During regional discussions with the Soviets as well as at Organization of American States (OAS) sessions, the U.S. needs to assert its intention of opposing any Soviet bloc subversion or aggression in the Americas.

3) Supporting the democratization processes which this decade have swept across South America. This trend can be fortified through certain government agencies and also through such private organizations as the National Endowment for Democracy.

4) Encouraging long-term economic growth. Long-term and stable economic growth is vital to democratic societies. U.S. policy should support creation of self-sustaining local economies that will attract South Americans to invest in their own countries.

5) Working with both the international lending institutions and the debtor nations to devise effective strategies for dealing with the debt crisis. U.S. debt policy should be coordinated with its trade and aid policies to promote free trade, privatization, and private property guarantees.

6) Encouraging South American governments to adopt policies that stimulate free trade and privatization of state-owned industries. Washington should tie its bilateral loans to the adoption of such free market policies as eliminating trade barriers, turning over state-owned businesses to the private sector, and encouraging domestic and foreign investment by guaranteeing private property rights.

¹ See Francis Fukuyama, "Patterns of Soviet Third World Policy," *Problems of Communism*, September-October 1987, p. 6.

7) Aggressively pursuing a war against the drug and terrorist organizations. Reputed Soviet ties to such organizations as the Medellin Cartel, Colombia's drug mafia, and the Tupac Amaru Revolutionary Movement (MRTA), a Peruvian terrorist group, accentuate the threat such organizations pose to regional security.

8) Renewing military aid, assistance, and training programs with those South American nations with whom joint military relations have been severed. U.S. relations with the region's armed forces are increasingly strained by abrupt aid cut-offs, sanctions related to foreign debt and other nonmilitary issues, and a general lack of interest on the part of U.S. policy makers.

9) Using the Organization of American States to outline clearly Washington's foreign policy objectives in the Americas. Organizations such as the OAS can be effective forums from which the U.S. can openly establish its hemispheric security interests and policy goals. Washington should take greater initiative and expand its role in regional summits and multilateral institutions.

10) Increasing U.S. educational assistance. The number of educational aid and assistance programs that Washington provides South Americans is too small. Assistantship and scholarship programs should be expanded and increased.

U.S. INTERESTS IN SOUTH AMERICA

The growth of democratic pluralism is important to the U.S. because democracies: 1) adopt or generate free market-oriented economies; 2) respect human rights; 3) are more stable politically; and 4) are unlikely to actively threaten U.S. security interests.

The U.S. has played an important role in South America's recent trend toward democratization. Since 1981, democratic pluralism has replaced authoritarianism in Argentina, Bolivia, Brazil, and Uruguay. A key U.S. objective must be the consolidation of these fragile democracies before Moscow and its allies exploit political instability.

Washington has substantial economic interests in the Americas. Latin America as a whole today owes approximately \$400 billion to foreign institutions, against total exports of some \$90 billion. Approximately one-third of the debt is owed to U.S. creditors. The South American countries are responsible for some \$300 billion of this debt. The U.S. exports about \$30 billion annually to Latin America, of which about half goes to South America. Under conditions of moderate economic growth in Latin America, these sales could climb as high as \$50 billion this year. In addition, nearly 50 percent of South America's exports go to the U.S., totalling \$22.5 billion in 1985. U.S. direct investment in the region currently is estimated at \$29.8 billion.²

² Jaime Suchlicki, "Soviet Policy In Latin America: Some Implications for the United States," *Journal of InterAmerican Studies*, Spring 1987, p.45 and *International Financial Statistics*, International Monetary Fund, April 1987.

Security Interests

Washington's most fundamental security interest in South America is preventing the Soviets or their allies from establishing military bases that could threaten the U.S. directly. The hemispheric balance of power would be threatened if the Soviets were to gain access to additional Latin American air and naval facilities or increase the number of Eastern bloc military personnel in the region. In the unlikely case that the Soviets were granted base rights in Peru, for example, Soviet military force refueling, intelligence-gathering, and operational capabilities would be increased substantially. Soviet bombers such as the *Blackjack*, *Backfire*, or *Bear* originating in Peru could, with the help of refueling aircraft, strike targets throughout the Americas. If the Peruvians granted the USSR naval facilities, the Soviet Fleet would jeopardize severely western Pacific sea lanes.

Even without such bases, the Soviet air and naval presence in the hemisphere has increased dramatically. Since 1969, the Soviet navy has conducted 26 full-scale exercises in the Caribbean. Prior to the 1960s, the Soviet navy conducted primarily only coastal defense operations.

The U.S. also is threatened if the Soviets can block access to South America's vital resources. Already, Soviet submarines, capable of interdicting U.S. shipping, operate out of Cienfuegos in Cuba. Such submarines easily could disrupt navigation through the crucial Caribbean sea lanes. The fact that the bulk of U.S. shipping sunk by the Germans during World War II was along the East Coast and in the Caribbean calls attention to the region's military and economic importance — and vulnerability — to the U.S.

For decades, the U.S. protected its interests in South America by being the major supplier of arms to the region. This enabled Washington to ensure a military balance of power among South American countries and gave the U.S. direct access to South America's armed forces. In the past decade, however, the Soviet Union, France, and possibly Israel have all provided more military hardware to South America than has Washington. U.S. arms exports to the region from 1982 through 1986 totalled about \$1.1 billion, a mere 15 percent of all arms sales to South America during this period.³

Cultural and Social Interests

Although cultural ties between the U.S. and South America have diminished in recent years, they still remain relatively strong. Tensions rose during the late 1970s, however, when the governments in Argentina, Brazil, Chile, Paraguay, and Uruguay lashed out at the Carter Administration's insensitive human rights policies as being intervention in their internal affairs. Since then, "anti-Yanquism" and nationalism have been growing.

Approximately 50,000 South Americans study privately in the U.S. But Washington has fallen behind the Soviet bloc in providing government-sponsored education and training for South American youth. The number of South Americans studying in the Soviet bloc nearly doubled between 1979 and 1985, from approximately 3,000 to more than 10,000.

³ *World Military Expenditures and Arms Transfers, 1987*, Arms Control and Disarmament Agency, 1987.

Washington, on the other hand, has been making it increasingly difficult for South Americans to receive U.S. government grants to study in the U.S. Only about 7,000 scholarships were offered last year. In addition, South Americans studying in the Soviet bloc have tended to stay for at least five years, while those who come to the U.S. usually stay for less than four years.

SOVIET INTERESTS IN SOUTH AMERICA

Pre-Gorbachev Approaches

Soviet trade representatives, diplomats, and military and political advisers began arriving in South America soon after the 1917 Bolshevik Revolution. By the end of 1945, the USSR had diplomatic relations with almost all of the region's major nations and many smaller ones as well. During the early Cold War years, however, the Soviet presence in the region diminished. Of those countries that had developed diplomatic relations with Moscow, only Argentina and Uruguay refused to break their ties. After the communists took control of Cuba in 1959, Moscow's principal tactic in South America was to spread revolution. After a potential communist takeover was suppressed in the Dominican Republic in 1965, however, the USSR scaled back its support for revolutionary activities.

From the mid-1960s through most of the 1970s, Moscow's South American policies were largely cautious and bureaucratic, concerned with minimizing risks. They concentrated on expanding diplomatic, commercial, and cultural contacts. During this time, the Kremlin's attention was directed mainly at improving relations with socialist-oriented "progressive" governments.

Most recently, the Soviets have been encouraged by the success of revolutionary forces in Nicaragua in 1979 and the ability to use "united fronts" to bring together in political coalitions communist and noncommunist radicals in countries as different as Peru and Uruguay.⁴ Now, under Gorbachev, Moscow has adopted a more flexible, dynamic, and assertive policy toward South America.

Growing Political Influence

In recent years, the Kremlin has stressed normal political and commercial ties with the region's governments, rather than focusing exclusively on revolution. Since Gorbachev came to power, the USSR has attempted to expand diplomatic and commercial ties with South American governments, primarily Argentina, Brazil, Peru, and Uruguay. From Moscow's perspective, the communization of South America is probably a long-term aspiration. The immediate goal is to weaken U.S. influence in the region.

Following the 1982 war fought between Argentina and Britain for control of the Falkland Islands off the Argentine coast, the Soviet position in relation to South America improved dramatically, while that of the U.S. deteriorated. Many South Americans felt that

⁴ *Soviet Influence Activities: A Report on Active Measures and Propaganda, 1986-87*, U.S. Department of State, August 1987, p. 64.

Washington had sided with Britain, a North Atlantic Treaty Organization (NATO) country, rather than with a member of the Organization of American States (OAS). Because the Soviets sided firmly with Argentina, Moscow benefited from the conflict.

By establishing a better working relationship with South American governments, the Kremlin hopes to:

- 1) **Encourage the nationalization of U.S.-owned businesses and investments;**
- 2) **Erode U.S.-South American military training and assistance agreements;**
- 3) **Undermine regional political and economic powers or institutions supporting the U.S., such as the OAS, free market institutions, and business organizations; and**
- 4) **Reorient South American foreign policies away from supporting Washington.**

Moscow has had some success in these short-term goals. Examples: the sale of Argentine grain to Moscow during the U.S. embargo despite pressure from Washington not to do so, the agreement very recently by several South American countries such as Brazil and Argentina not to criticize Cuba for human rights violations, and the gradual breakdown in inter-American military cooperation.

To expand its influence, the Soviet Union has tried to sway decision making in South America's trade unions, student organizations, and communist parties. The election of the communist Salvador Allende Gossens as President of Chile in 1970 gave the Soviets strong hope of influencing events through the electoral process. Allende's party, comprised of socialists, communists, radicals, and dissident Christian Democrats, was committed to programs that the Soviets supported. Allende, for example, nationalized Chile's private industry, accelerated land redistribution, and expropriated U.S. business interests.

Supporting Kremlin Policy. More recently, the USSR has been successful in infiltrating and influencing center-to-left parties in Argentina, Brazil, Colombia, and Peru. Local communist parties routinely support and advocate the Kremlin's foreign policy agenda and protest cooperation between their governments and Washington. Communist and socialist parties denounce U.S.-sponsored development programs and U.S. military assistance, and they attack what they label as cultural imperialism.

Ironically, as the wave of democracy spreads across South America in the 1980s, diplomatic contacts between the Soviet Union and governments there have increased dramatically. New civilian governments such as those in Argentina and Brazil have been eager to differentiate themselves from the military regimes they replaced. In expanding and improving relations with the Soviet bloc, Latin political leaders also have attempted to distance themselves — at least in the eyes of leftist constituencies — from the nation they most commonly blame for the region's woes: the U.S.

Official, top-level reciprocal visits by Soviet and South American political leaders have been on the rise. In October 1986, President Raul Alfonsin was the first Argentine head of state to visit the Soviet Union. Uruguayan President Julio Maria Sanguinetti visited

Moscow this past March. Last year, delegations from at least five key South American governments visited Moscow.⁵ Soon after, Soviet Deputy Foreign Minister Viktor Komplektov traveled to Brazil and Uruguay. Soviet Foreign Minister Eduard Shevardnadze visited Argentina, Brazil, and Uruguay last fall. During this trip, he announced that Gorbachev would be making a trip to South America, probably this fall.

Strengthened Economic Relations

The USSR now trades regularly with all South American states except Chile, Paraguay, and Suriname. In 1985, nonmilitary Soviet exports to South America were estimated at \$1.65 billion, while nonmilitary imports from the region were approximately \$2.85 billion.⁶ Recently this trade seems to have declined slightly. This is because South America has been experiencing massive economic difficulties and several of the Soviet Union's key trading customers such as Argentina, Brazil, and Uruguay have become competitors. Not only do they now produce many of the goods that they once imported from the USSR, they also export consumer goods within South America. For example, countries can now purchase military hardware from Brazil rather than from the Soviets.⁷ The Soviets have become customers for South American goods that U.S. trade barriers keep out of U.S. markets; this includes beef, grain, and sugar. In exchange for these foodstuffs and minerals, Moscow exports manufactured goods and heavy equipment.

Building 80 Ships for Moscow. The USSR has become Argentina's largest grain customer. Moscow turned to Argentina after the U.S. 1979 grain embargo cut off U.S. grain sales to the USSR. In 1985, the Soviets purchased approximately \$1.5 billion in grain from the Argentines. A January 1986 agreement between the USSR and Argentina commits both countries to high levels of trade through 1990. In addition, the Soviets have worked out agreements with the Argentines to help build shipping and dock facilities in Argentina in return for agricultural products.

The Soviet Union buys substantial foodstuffs and iron ore from Brazil in return for oil, manufactured goods, and some technology. Uruguay provides the USSR with wool, dairy products, and citrus in return for consumer goods. Peru sells metals, wools, and foodstuffs in return for heavy equipment and development aid. The Peruvian government recently has agreed to build 80 ships for the Soviets as part of a deal to refinance Peru's \$650 million debt to Moscow. The center-left Peruvian government of Alan Garcia Perez is pressing for the deal as a means of paying off foreign debt while saving hard currency: It now appears that Ecuador's center-left President-elect Rodrigo Borja Cevallos also may seek expanded economic cooperation with the Soviets.

Alternative Markets and Sources. Such trade has helped the Kremlin establish a permanent economic and political presence in South America. It has also given the Soviets access to such strategic raw materials as Bolivia's tin and Brazil's iron ore, used in Soviet heavy industry, and much needed agricultural products, including Argentine grain and Colombian coffee.

⁵ *The Washington Post*, September 27, 1987, p. A28.

⁶ Robert K. Evanson, "Soviet Economic and Military Trade in Latin America: An Assessment," *World Affairs*, Fall 1986, p. 76.

⁷ *Ibid.*, p. 75.

The U.S. is almost certain to remain South America's largest trading partner, but Moscow will continue attempting to diminish Washington's regional influence by providing alternative markets and sources of supply. It also is likely that the Kremlin and its satellites will continue to exploit the worsening South American debt crisis by blaming it on the U.S. and persuading South American countries to default on their debts.

Increased Military Penetration

Soviet military involvement in South America has included logistical support for revolutionary insurgents and arms shipments to South American governments. Moscow's key military-related objectives seem to be to: 1) influence political conflicts through support of terrorists and insurgents; 2) accustom the U.S. to Soviet presence in the region; 3) wean Latin armed forces away from dependence on the U.S.; 4) establish a market for Soviet military goods.

Old U.S. Arms for Guerrillas. Clandestine support to guerrilla forces largely is carried out through such proxies as Cuba, Nicaragua, North Korea, and Vietnam.⁸ Hanoi, for example, ships old U.S. weapons to Cuba, which in turn sends them to guerrilla forces throughout South America. Currently, the Kremlin reportedly assists such revolutionary and terrorist movements as the Manuel Rodriguez Patriotic Front in Chile; the Tupac Amaru Revolutionary Movement (MRTA) in Peru; and the M-19, the Armed Revolutionary Forces (FARC), the National Liberation Army (ELN) in Colombia and the *Alfaro Vive* group in Ecuador.

Soviet arms shipments to Latin America as a whole grew from \$600 million in 1973 through 1976 to \$2.1 billion in 1977 to 1980 and \$3.6 billion in 1981 to 1984. Most of this military assistance was to Cuba and Nicaragua. Soviet arms shipments to South America were approximately \$320 million during 1981 to 1984, or 4 percent of total arms sales to the region.

After Moscow, the major Eastern bloc providers of weapons to the South American armed forces are Czechoslovakia, Libya, North Korea, and Poland.⁹ These countries also support training missions in the region, both overt and clandestine.

Moscow's Chief Customer. Peru is Moscow's chief customer. The Peruvians have purchased at least 350 Soviet T-54 and T-55 tanks, a significant quantity of SA-2 and SA-3 surface-to-air missiles, 42 Mi-24 *Hind* helicopters, about 50 *Sukhoi-22* supersonic fighter bombers, radar equipment, and artillery. The price tag: approximately \$1.5 billion.¹⁰

Of the 650 personnel in the Soviet mission in Lima, approximately 200 are military advisors. The Soviet advisors in Peru outnumber the 150 or so American military advisors in all of Latin America. After Cuba, Peru hosts the largest Soviet military presence in the

8 Paul Seabury, *Observations on Soviet Proxy Activities in the Third World*, U.S. Institute of Peace, March 1988.

9 Russell W. Ramsey, "Training the Latin American Armed Forces," *Journal of Defense and Diplomacy*, vol. 6, no. 4, 1988, p. 24.

10 Paula J. Pettavino, "Peru's Military Buildup," *Journal of Defense and Diplomacy*, vol. 4, no. 3, 1986.

Western Hemisphere.¹¹ Other than Peru, the transfer of Soviet military equipment to South American armed forces has been relatively limited. South American governments still prefer to purchase better quality U.S., British, French, and West German weaponry.

Expanding Cultural Influence

Moscow's cultural objectives are to: 1) heighten traditional anti-American feelings in South America; 2) expand Soviet educational and training programs for the region's youth to indoctrinate them in Marxism-Leninism; 3) improve the USSR's international reputation by portraying itself as the champion of Third World causes; 4) encourage pro-Soviet elements in the South American press.

By taking advantage of unpopular U.S. actions, such as U.S. support for Britain during the Falklands War, Moscow seeks to improve its image as the defender of Latin independence and autonomy.

Broadcasting on Channel 9. Radio Moscow broadcasts to South America almost 100 hours per week in six different languages. On the other hand, the Voice of America only broadcasts an average of 66.5 hours a week in three languages. TASS, the official Soviet news agency, provides information to local news media organizations in many South American countries as well. Through a March 1987 agreement between the USSR State Committee for Television and Radio Broadcasting and a private Argentine television network, Channel 9, Moscow provides the network with television programs, documentaries, and news.¹²

According to U.S. government statistics, the number of students from Latin America and the Caribbean studying in the USSR grew from 2,900 in 1978 to over 10,000 last year. Latin students also attend schools in Cuba and Eastern Europe. The U.S. government, on the other hand, offered only 7,000 scholarships in 1987.¹³ Moscow also has established an exchange program for professors. Soviet teachers have taught in Colombia, Ecuador, and Peru.

Learning to be Suspicious of the U.S. The vast majority of these Soviet bloc-educated students and trainees are from impoverished South American families and otherwise might not have been able to afford any education, certainly not overseas. U.S. efforts to support cultural and educational programs to promote South American democratic ideas could be undercut by Soviet influence. Some of the students educated in the Soviet bloc almost surely will return home committed to Marxism-Leninism, suspicious of the U.S., and indebted to the USSR. Many of them may become influential members of their nation's business, government, media, or academic communities, and some could be susceptible to recruitment by Soviet intelligence agencies.

The Soviet Union wages an extensive propaganda and disinformation campaign to discredit the U.S. Example: the Kremlin spreads disinformation throughout South America

11 *Ibid.*, p. 25.

12 *Soviet Influence Activities, op. cit.*, pp. 66-68.

13 *The Wall Street Journal*, April 5, 1988, p. 20.

blaming the U.S. for creating the AIDS virus.¹⁴ By enlisting the services of sympathetic journalists, academics, writers, and students, Moscow effectively disseminates information damaging to the U.S.

The growth of Soviet interests in South America can also be gauged by the expanding scope of Soviet research about the region. In 1961, the Latin America Institute was established in Moscow. The journal *Latinskaya Amerika* was inaugurated in 1969 and now has a distribution of approximately 10,000.¹⁵

THE SECOND TRACK: SOVIET SUBVERSIVE ACTIVITIES

While placing a higher priority than before on seeking influence through state-to-state relations, the Kremlin has not abandoned covert operations. The Marxist-Leninist regimes in Cuba and Nicaragua give the Soviets bases from which to launch clandestine operations throughout the region. Chile, Colombia, Ecuador, and Peru are the main targets. In Colombia the Armed Revolutionary Forces (FARC) guerrilla group was created and continues to be directed by the local Communist Party, one of the most strongly pro-Soviet in South America. Moscow supports such revolutionary movements mainly with the help of Cuba and Nicaragua.

According to General Rafael Padilla Vergara, a Colombian Army officer, captured documents reveal that several hundred members of FARC and the *Movimiento 19 Abril* (M-19) had been trained in Nicaragua and Cuba. The documents also disclose Cuban plans to deliver heavy artillery to Colombia's guerrilla forces. Colombian intelligence officials explain that Havana's Americas Department, through which the Soviets assist the Cubans in controlling all insurgent activity in South America, had instructed the Colombian Communist Party to intensify the "political struggle," while helping the guerrillas build an armed force of at least 20,000 well-trained men.¹⁶

Narco-Communist Network. There is also evidence that the Soviet Union, via the Cubans and Nicaraguans, supports guerrilla and subversive activities in Chile, Ecuador, and Peru. In Peru, the Tupac Amaru Revolutionary Movement (MRTA), a pro-Cuban, Marxist-Leninist guerrilla group is the key recipient of such support. The MRTA has declared publicly its allegiance to both the M-19 and the Ecuadoran guerrilla group, *Alfaro Vive*. Most MRTA weapons confiscated by the Peruvian security forces are M-16 rifles; not in use by either the police or army in Peru. Such rifles are used, however, by the M-19, as well as the Chilean and Ecuadoran terrorists. These weapons have been identified by their serial numbers as those left by U.S. forces in Vietnam and shipped to South American subversives by the Nicaraguans and Cubans.¹⁷

14 *Soviet Influence Activities, op. cit.*

15 Morris Rothenberg, "Latin America in Soviet Eyes," *Problems of Communism*, September-October 1983, p. 15.

16 Marlo Lewis, Jr., "Is Colombia Next?" *National Review*, December 1985, pp. 36-37.

17 *The Wall Street Journal*, February 26, 1988, p. 15.

These Soviet-backed guerrilla groups are known to be heavily involved in the production and distribution of cocaine. It is likely, therefore, that the Sandinistas and their Cuban mentors are part of the South American "narco-terror" or "narco-communist" network.¹⁸ This is confirmed by the statements of Jose Blandon, a former top-ranking Panamanian government official who resigned from his post as Panama's consul general to New York this January, and of Juan Lazaro Perez, a former Colombian drug cartel smuggler. In testimony before a Senate Foreign Relations subcommittee this February, Blandon and Perez described how Fidel Castro and his brother Raul, the Cuban intelligence services, Cuba's "Americas Department," and the Sandinista high command worked out arrangements with the Colombian Medellin drug cartel and regional guerrilla groups to help move narcotics and weapons in and out of South America.¹⁹

TEN POINTS TO COUNTER SOVIET GAINS

U.S. policy toward South America should be designed to protect U.S. security interests and limit Soviet influence in the hemisphere. To accomplish this, the U.S. should pursue a program:

- 1) **Making all of Latin America, not just Central America and the Caribbean, a high foreign policy priority.** The next U.S. president's first official overseas trip should be to Latin America, including visits at least in Argentina, Brazil, Chile, and Uruguay.
- 2) **Reemphasizing the U.S. security interests and objectives as proclaimed in the Monroe Doctrine and the Symms Resolution.** These include asserting a strong U.S. intention to oppose Soviet bloc subversion, aggression, and intervention in South America. In the Reagan Doctrine, the U.S. offers a strategy to enforce the Monroe Doctrine by rolling back Soviet gains in the hemisphere. Washington needs to make Latin leaders understand that in terms of economic, military, and technical assistance, the U.S. is the answer, not the Soviet Union.
- 3) **Continuing its strong support for the democratization process that has been sweeping across most of South America.** Washington can provide expertise, training, and resources for organizing democratic elections. This should be accompanied by a reaffirmation of a commitment to help South American governments fight communist insurgencies, battle the drug cartels, and halt terrorism. An increase in military aid, assistance, and training for the region's democracies should also be considered. Such private organizations as the National Endowment for Democracy can provide funds to such South American local democratic organizations and institutions as political parties, labor unions, business groups, trade associations, and educational groups.
- 4) **Encouraging long-term economic growth.** Fostering long-term, stable economic growth is integral to independent democratic societies. U.S. debt policy should be used to support the creation of self-sustaining economies based upon local markets. South American governments need to become economically reliable so that citizens will invest in

¹⁸ *The Washington Post*, September 27, 1987, p. A28.

¹⁹ *The Washington Times*, February 15, 1988.

domestic economies and not send their money abroad. The U.S. should assist the South American countries with their debt burdens by proposing such measures as debt equity swaps, which involve trading debt either for shares in a South American company or for cheap local currency.

5) Continuing to assist negotiations between international and private multilateral lending institutions, such as the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB), and the debtor countries. Washington's strong voting power in these organizations can be used as leverage. Development funds from these international financial institutions should be granted only if recipients adopt policies that encourage free trade and expand the base of private ownership. Employee Stock Ownership Programs (ESOPs), for example, are financial mechanisms through which employees can obtain the necessary credit to purchase stock in the company for which they work. The U.S. should insist that the U.S. directors at multilateral development banks consider ESOPs as an option in all privatization projects.

6) Pressing South American governments to adopt policies that stimulate economic growth, free trade, and privatization of state-owned companies. The U.S. should tie its loans to the adoption of such free market policies as turning state-owned businesses over to the private sector, eliminating trade barriers, and encouraging domestic and foreign investment by guaranteeing private property rights. U.S. economic assistance programs and loans from U.S. and multilateral lending institutions should be targeted to the private sector instead of government projects.

7) Reaffirming the U.S. commitment to help South American governments fight communist insurgencies, battle the drug cartels, and halt terrorism. The U.S. should explore closer cooperation with the Organization of American States to deal with these problems. Attention should focus on improving joint surveillance and enforcement capabilities, as well as economic, technical, and military assistance where needed. To create a better environment for cooperation on these issues, the U.S. State Department should make information and technical resources available and work closely with OAS members and their staffs. The U.S. also should consider creating a multinational military task force to battle the narco-terrorists.

8) Increasing military aid, assistance, and training programs for those democracies willing to cooperate with the U.S. on regional security matters. Now that the special U.S. military schools have been closed in Panama because they are banned by the Panama Canal Treaty, Washington should expand the programs at the U.S. Army School of the Americas, at Fort Benning, Georgia, and the Inter-American Defense College in Washington, D.C. The U.S. also should increase its International Military Education and Training (IMET) programs, which train and educate South American military personnel. Declining Latin participation in these programs has come at a time when Soviet training in the region is increasing. The Pentagon also needs to renew military cooperation with Argentina²⁰ and to reinstate military assistance to Chile once it has adopted a democratic political system.

²⁰ *Defense and Foreign Affairs Weekly*, May 2-8, 1988, p. 2.

9) Using the OAS to outline clearly Washington's foreign policy objectives in the region. Washington should take greater initiative in regional summits and multilateral institutions. Organizations such as the OAS can be effective platforms from which the U.S. can publicly establish its hemispheric security interests and policy goals. Too often in recent years the U.S. has been excluded from regional summits and other gatherings. It was not, for example, asked to participate in last November's inter-American summit in Acapulco, Mexico.

10) Increasing U.S. educational assistance. The number of assistantships, scholarships, and other forms of educational aid that the U.S. government provides South Americans is too small. Greater attention also should be given to the selection of educational materials, textbooks, and cultural activities promoted by the U.S. for South Americans. For example, the United States Information Agency could take greater initiative in this area in order to counterbalance gains made by the Soviet Union. The U.S. also should encourage its allies in Europe and Asia to play a greater educational and cultural role in South America.

CONCLUSION

Gorbachev's plan to visit South America later this year highlights the Kremlin's efforts to increase and expand its influence in the Western Hemisphere. Moscow's attempts to challenge the principles of the Monroe Doctrine pose security risks for the U.S. At the same time, the fragile new democracies in South America are threatened by the growth of revolutionary subversion, terrorism, narcotics trafficking, and foreign debt. It is the Kremlin's strategy to take advantage of these conditions to further its own political, economic, and military interests in the region.

In pursuit of these objectives, the Gorbachev government follows a two-track policy, which combines normal diplomatic and economic initiatives with clandestine support for communist insurgents, terrorists, and the drug cartels. Much of this work is carried out through proxies such as Cuba and Nicaragua.

To counter this, the U.S. must work together with the South American countries to diminish the growing Soviet presence. Most important, the U.S. has to maintain its strong support for the democratization process already underway. The best means of guaranteeing the continued fortification of the region's democratic institutions is by assisting South America's long-term economic growth. If U.S. policy makers give South America higher priority, U.S.-South American cooperation on political, economic, and military issues likely will increase while the success of Soviet efforts to undermine U.S. security interests may dwindle.

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