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PART III

PATTERNS AND PERSPECTIVES

CHINESE COMMUNIST ACTIVITIES IN LATIN AMERICA

Recognition by Cuba last year gave Communist China its first diplomatic ties with any country in the western hemisphere. Believing that the Cuban example offers an opportunity for further gains in Latin America, Peiping is willing to accept the cost of sizable economic assistance to the Cubans. Its strategy for the area as a whole combines a reliance on "people's diplomacy" with an expansion of Chinese influence in Latin American Communist parties. The objective is to win political recognition and encourage revolutionary action.

Cuba

Following the US decision last summer to stop buying Cuban sugar, the Chinese agreed to take 500,000 tons annually for the next five years, more than twice their previous yearly purchases from nonbloc sources. Although sugar is in short supply in China, it is a low-priority import, and Peiping's willingness to forego the purchase of more urgently needed commodities underscored its determination to use Cuba as the wedge to expand its influence in the whole area. This motive has also been demonstrated by the willingness to ship rice to Cuba at a time when China is experiencing severe food shortages and making substantial purchases of food grains outside the Communist bloc.

When Che Guevara visited China last November, Peiping offered him a \$60,000,000 interest-free loan--at the time the largest single credit extended by China to a nonbloc country. The Chinese also agreed to pay a higher price per pound of sugar than agreed to last summer and to double their sugar purchases to a million tons in 1961. The Cubans have given lavish publicity to China's beneficence.

During Guevara's visit the Chinese far surpassed their usual great hospitality for official visitors. Both Mao Tse-tung and Chou En-lai had "intimate" talks with him, and the Chinese ambassador-designate to Cuba escorted him on a tour of the country.

In an exchange of speeches with Guevara, Chou congratulated Cuba on its "face-to-face struggle against heinous US imperialism." Chou stated that while Latin America faces a "complex and arduous" task in freeing itself from the United States, Cuba's success stands as proof that the situation is "extremely favorable." For his part, Guevara amplified earlier statements by Cubans that their revolution had drawn on Chinese experience, saying the Chinese example "revealed a new road for the Americas." Guevara expressed admiration for China's communes and other social innovations and forecast that Latin Americans would adopt "one of these methods or something similar" when they achieved their "liberation."

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Trade

Trade agreements with Cuba provide for an exchange of as much as \$180,000,000 in 1961--far in excess of China's past trade with all of Latin America. As a rule, imports from Latin America have been limited to a single commodity from any one country; Chinese purchases have thus assumed in some countries greater importance than the comparatively modest levels of total trade would suggest. In 1958 China--which purchased almost 100,000 tons--was the largest single buyer of sugar from Brazil, and in the first four months of last year it was the largest bloc purchaser of wool tops from Uruguay--\$2,600,000 worth.

Peiping's strategy is to use trade as an opening for government-to-government economic agreements--in effect de facto recognition. To date, however, Cuba is the only Latin American country that has signed a trade and payments agreement with Communist China, and, barring political changes in other Latin American countries, there are no immediate prospects for others.

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The Havana office of NCNA is the center for Peiping's propaganda activities in Latin America. After its establishment in June 1959, the Havana office quickly established close relations with Castro's new Prensa Latina news agency and reportedly gives it advice and financial assistance.

In November 1959 the Chinese Communists began publication of a Chinese-language newspaper in Cuba, intended primarily for the island's 30,000 Overseas Chinese but directed also to the 65,000 Chinese elsewhere in Latin America. Peiping has long competed with Taipei for the allegiance of Overseas Chinese living throughout the world.