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MOSCOW'S COURTSHIP OF MEXICO

INTRODUCTION

An agreement in principle for an exchange of visits between Soviet General Secretary Mikhail Gorbachev and Mexican President Miguel de la Madrid — probably after the July 1988 Mexican elections — accentuates the growing relationship between the two countries. Moscow's ties with Mexico have become closer than those with any other nation in the Americas except Cuba. The durability of the Soviet-Mexican connection is an effect of Mexico's proximity to the United States and Mexico's traditional policy of seeking an extra-hemispheric counterweight to the overpowering presence and influence of its northern neighbor. The Soviet strategy is to exploit the reservoirs of anti-American sentiment in Mexico, which lost about half its territory to the U.S. in the Mexican-American War of 1846-1848.

In recent years — particularly since Mikhail Gorbachev came to power — the Soviet Union has been striving to build up political and economic links with important noncommunist countries in the Third World. Its approach to Mexico fits this pattern. An exchange of official visits culminated in the autumn of 1986 with the arrival of Soviet Foreign Minister Eduard Shevardnadze in Mexico City. This was the first visit by a Soviet

This is the ninth in a series of Heritage studies on Mexico. It was preceded by *Backgrounder* No. 638, "Evolution of Mexico's Foreign Policy" (March 11, 1988); *Backgrounder* No. 611, "Privatization in Mexico: Robust Rhetoric, Anemic Reality" (October 22, 1987); *Backgrounder* No. 595, "Keys to Understanding Mexico: The PAN's Growth as a Real Opposition" (July 29, 1987); *Backgrounder* No. 588, "Deju Vu of Policy Failure: The New \$14 Billion Mexican Debt Bailout" (June 25, 1987); *Backgrounder* No. 583, "For Mexico's Ailing Economy, Time Runs Short" (June 4, 1987); *Backgrounder* No. 581, "Mexico's Many Faces" (May 19, 1987); *Backgrounder* No. 575, "Mexico: The Key Players" (April 4, 1987); and *Backgrounder* No. 573, "Keys to Understanding Mexico: Challenges to the Ruling PRI" (April 7, 1987). Future papers will examine other aspects of Mexican policy and development.

foreign minister to any Latin American nation aside from Cuba. Shevardnadze's journey reflected a shift from the time of his predecessor, Andrei Gromyko, who had focused primarily on the U.S.-Soviet relationship and displayed scant interest in the Third World. The joint communique issued after Shevardnadze's visit registered concurrence between the two countries on such issues as arms control, a nuclear test ban, and support for the "peace process" in Central America.

Steering Mexico Away from the U.S. The Kremlin has attempted to steer Mexican policy away from U.S. influence. For example, the Soviets have encouraged Mexican efforts to fashion a peace settlement in Central America and to strengthen regional solidarity in a manner that would dilute the role of the U.S. The Soviets also have made many attempts to stimulate trade with Mexico, but the results to date have been meager.

The USSR's dual-track policy toward Mexico has comprised both state-to-state and party-to-party relations. While Moscow conducts normal diplomatic relations with the Mexican government, the Communist Party of the Soviet Union (CPSU) maintains a bilateral link with the Mexican Communist Party (PCM). Founded in 1919, just two years after the Bolshevik Revolution in Russia, the PCM plays a leading role in the Unified Socialist Party of Mexico (PSUM), a coalition of five left-wing parties. The Soviets will be watching closely to see how well the PSUM fares in this year's Mexican presidential elections.

A Threat of Soviet-Mexican Military Cooperation. On still another level, the KGB residency in Mexico is one of the Soviet Union's largest and most active in the world. It works closely with agents of the Cuban intelligence service in Mexico, and together, their potential for subverting the Mexican government is formidable. They also could use their presence as leverage to prod Mexico into close cooperation with the communist bloc. For the present, however, Moscow is focusing on improved political and economic relations with Mexico City. The U.S. will have to remain alert to the possibility that these relations might expand into the military sphere, thus posing a threat to U.S. interests south of the border.

MEXICO'S IMPORTANCE TO MOSCOW

The Soviet Union regards Mexico as a strategic prize. The U.S.-Mexican border is 1,987 miles long and constitutes, in effect, a secure American strategic flank. This has meant that the U.S. has been able to conduct its foreign policy across two oceans without worrying about a threat from the south. If the Soviets established a firm political foothold in or succeeded in destabilizing Mexico, the Kremlin would gain major advantages and U.S. strategic interests would be severely affected. Not only would the U.S. have to devote considerable military manpower and resources to guarding its southern frontier, but the Gulf of Mexico and the Caribbean sea lanes of communication would be vulnerable to Soviet — and Cuban — interdiction. Ships transiting these waters now carry large quantities of oil and other commodities to and from U.S. ports. Equally important, these sea routes would be needed to ferry U.S. troops and materiel to the NATO allies in a military crisis or war in Europe.

Moscow's recently acquired ability to project military power (and thus political influence) into Central and South America has further heightened its interest in the region. For example, the Caribbean was once a U.S. lake but now is the site of Soviet naval facilities (in Cuba) and of joint Soviet-Cuban naval exercises as recently as October 1986.¹ The shifting military balance in this strategic sea has generated tangible political effects in the neighboring countries, including Mexico.

Gentleman's Agreement. Mexico has other attractions for Moscow. With more than 81 million people, it is the planet's eleventh most populous nation. It has the world's fourth largest oil reserves (some 69 billion barrels as of last month) and is the main foreign supplier of oil to the U.S. Despite a number of serious economic problems, Mexico has emerged as an important player in regional affairs and could give the Soviet Union an entree for raising its profile and enhancing its legitimacy in Latin America.

There are some indications that the reigning political party, the PRI (Institutional Revolutionary Party), may have made a gentleman's agreement with Cuba and, by extension, the Soviet Union: Mexico will counter U.S. efforts to ostracize the Castro regime and limit Soviet-Cuban influence in the region, while Moscow and Havana in turn refrain from sponsoring efforts to destabilize Mexico.

SOVIET ESPIONAGE, SUBVERSION, AND INTELLIGENCE GATHERING

Mexico holds great importance for the Kremlin as the site of the largest Soviet embassy in Latin America and one of the largest in any non-Soviet bloc nation. Many of the "diplomats" attached to the embassy staff are intelligence officers. According to John Barron, an expert on Soviet espionage, "During the 1960s the KGB had completely taken over the Soviet embassy in Mexico City and developed it into one of the world's great sanctuaries of subversion."² *The Washington Times* last year reported that Mexico City remains "the KGB's biggest overseas 'residency' and principal center for activities against the United States."³ Mexico City is a long-established Soviet listening post and intelligence gathering center in the Americas.

Espionage Activities

There are more than 400 Soviet personnel operating in Mexico City, of whom 30 percent to 40 percent reportedly are affiliated with the KGB or the GRU (military intelligence) services. A Mexican counterintelligence specialist has said that "Mexico is one giant safehouse" for the Soviets and their East European and Cuban sister services.

The open U.S.-Mexican border, the huge size and congestion of Mexico City (enabling agents to elude surveillance), and Mexico's relatively complacent attitude toward espionage

1 *Soviet Military Power, 1987* (Washington, D.C.: U.S. Government Printing Office, 1987), p. 120.

2 John Barron, *KGB: The Secret Work of Soviet Secret Agents* (New York: Bantam Books, 1974), p. 313.

3 *The Washington Times*, September 2, 1987.

(so long as Mexico itself is not the target) greatly facilitate Soviet operations. These involve primarily recruiting and "running" agents into and out of the U.S. and stealing high-tech equipment and defense-related information. The KGB in Mexico City works very closely with the Soviet consulate in San Francisco, which specializes in the illegal acquisition of sophisticated technology from California's Silicon Valley.

In the 1970s, Christopher Boyce and Andrew Daulton Lee, employees of a leading U.S. technology firm, passed top secret U.S. documents and satellite photographs to the Soviets at their embassy and elsewhere in Mexico. The activities of these two later were portrayed in the book and film *The Falcon and the Snowman*. In 1981 Joseph G. Helmich Jr., a U.S. Army warrant officer, pleaded guilty to two decades of supplying cryptographic and other military information to the Soviets in Mexico City and in Paris.

Targets for Espionage. The Soviets reportedly now are seeking permission from Mexico to open consulates in areas near the U.S. border. Among their targets for intelligence gathering are strategic defense and other military-related facilities in the American Southwest. In 1981, the Mexican Foreign Ministry reportedly approved the establishment of consulates in Tijuana and Ciudad Juarez; but President Jose Lopez Portillo, presumably to avoid provoking the U.S., vetoed the request. The Soviets had to settle for a consulate in Veracruz, some 485 miles from the U.S. border.⁴

Subversion

Although most of the Soviet espionage effort is targeted at the U.S., the KGB also has meddled in Mexico's internal affairs. In 1959, for example, two KGB agents bribed labor leader Demetrio Vallejo with one million pesos (\$80,000) to paralyze the national railway system in a series of wildcat strikes.

The most dramatic KGB-sponsored action against the Mexican government involved the creation at the end of the 1960s of the Revolutionary Action Movement (MAR), which was designed to foment revolutionary violence and civil war. This scheme was foiled on the eve of its planned implementation in 1971. Oleg Maksimovich Nechiporenko and Boris Pavlovich Kolomyakov, two of the KGB's top agents, masterminded the MAR operation. Working through the Mexican Communist Party and the Institute of Mexican-Russian Cultural Exchange, a Soviet front in Mexico City, the KGB recruited Mexican students and radicals who were alienated from the political system. They received scholarships for study (along with political indoctrination) at the Patrice Lumumba Friendship University in Moscow. As graduates, they were infiltrated back into Mexico, where they were to recruit other students to the revolutionary cause.

Communist Shock Brigades. Clashes between students and police broke out in Mexico City in July 1968. Student extremists subsequently seized the National University and the Polytechnic Institute and transformed them into armed fortresses. Shock brigades, many of which were organized and led by members of the Young Communist Party or youths directed by the KGB through the Institute for Mexican-Russian Cultural Exchange, played

⁴ See *The Washington Times*, May 21, 1985, and *The New York Times*, November 9, 1986.

a role in the violence far out of proportion to their representation on the students' National Strike Council. The government, faced with escalating violence that could have forced it to cancel the upcoming Olympic Games, finally sent in the army. The ensuing battle in the Tlatelolco region in the heart of Mexico City on October 2, 1968, caused hundreds of casualties.

Mexican recruits at Lumumba University were directed by the KGB to avenge the deaths. Seeking a plausible way to deny their role in the confrontation and thereby to protect their diplomatic presence in Mexico, the Soviets arranged for the recruits to receive training in guerrilla warfare and terrorism in North Korea. When the recruits returned to Mexico, the USSR dispatched still another senior KGB officer, Dmitri Alekseevich Diakanov, to help supervise a new MAR campaign.

The first guerrilla attack in Mexico had been planned for July 1971. In February of that year, however, a police constable glimpsed a group of MAR operatives sketching diagrams of targets marked for sabotage. Within a short time, the police had discovered enough caches of weapons and explosives, safehouses, and guerrilla training centers all over Mexico to break the backbone of the MAR leadership. The Mexican government declared five Soviet "diplomats," including the charge d'affaires, *personae non gratae*.⁵ It appears that the Soviets were so embarrassed by being caught that they have since taken special care to conceal these activities.

MOSCOW AND MEXICO: THE LATIN AMERICAN ANGLE

Central America and the Caribbean

Moscow appears to welcome Mexico's assertiveness in the Central American/Caribbean region, if the Mexican objective is to reduce U.S. influence. In addition, the Soviet Union regards Mexican interest in the region as a potential economic boon. If Mexico were to step up oil shipments to Nicaragua and offer the Sandinistas concessionary terms, for example, the burden on the USSR for supplying that country with its own oil would decrease.⁶

The Soviet-oriented Mexican Communist Party has focused its international activities heavily on the Western Hemisphere. In 1983, Secretary-General Pablo Gomez Alvarez of the Unified Socialist Party of Mexico (PSUM), an amalgamation of the Mexican Communist Party (PCM) and four smaller groups, headed delegations to the USSR and Nicaragua. The timing suggested that the Soviets may have assigned the PSUM specific

5 In 1968, the Soviet embassy in Mexico City reportedly housed 57 officials, all but eight of whom were professional intelligence officers or coopted agents. The size of the embassy was triple that of the diplomatic missions of Britain, France, West Germany, or Japan, all of which, unlike the USSR, had extensive trade and other ties with Mexico that required diplomatic tending. See Barron, *op. cit.*, pp. 19-20.

6 On a number of occasions, Mexico suspended oil deliveries to the Sandinista regime because of its inability to pay.

tasks in the international support campaign waged by the communist bloc on behalf of the Sandinistas.

Buying the Sandinistas Time. Moscow applauded the Contadora peace process in which Mexico took a leading role. This process ostensibly sought a settlement of the Nicaraguan conflict, but its effect was to buy time for the Sandinistas to consolidate their revolution and, with Soviet assistance, strengthen their military capabilities. Moreover, according to a Mexican diplomat in Moscow, the Kremlin "is interested...in seeing the Central American conflict persist, since this implies a political loss and waste of resources for the United States."⁷ Thus, the USSR favored the Contadora process but not necessarily the substance of the peace plan, which called for the withdrawal of foreign military advisers from Central America and proscription of the export of revolution.⁸

The Soviets also benefited from the leading role in the Contadora negotiations of Mexican Foreign Minister Bernardo Sepulveda Amor, identified as "a member of an anti-American group in the Mexican foreign ministry that is determined to protect the Sandinistas from U.S. pressure."⁹ After being forced out of the Mexican trade union movement in the 1940s for his loyalty to Marxism-Leninism, Lombardo Toledano founded the Socialist People's Party, which continues to echo the Moscow line and reportedly to maintain close ties with the KGB establishment in the Soviet embassy.¹⁰

Mexico's tendency to downplay the growing number of Soviet, East European, and Cuban advisers in Nicaragua, while castigating the U.S. presence elsewhere in Central America, may be changing, however. As early as 1981, a U.S. commentator noted that "while many Mexicans still publicly pose as the grandfathers of Latin American liberation movements...behind the rhetoric lies a deepening concern over the destabilization of Central America."¹¹ In 1984, Mexican President Miguel de la Madrid for the first time linked Mexican security to the Central American turmoil when he said in his state-of-the-union address that "the violence that has overtaken the region is a threat to our own security."¹²

Implicit Bargain. De la Madrid, whose six-year term in office ends this November, generally has avoided the Yankee-baiting rhetoric of some of his predecessors. Nonetheless, de la Madrid continues to support revolutionary movements in the hemisphere. Despite the advent of a democratically elected government in El Salvador in 1982, Mexico has allowed the Farabundo Marti National Liberation Front (FMLN), the insurgents' umbrella group, to operate an office in Mexico City and to promote revolution

7 Sergio Sarmiento, "The Meaning Behind Mexico's Foreign Policy Gambit," *The Wall Street Journal*, November 23, 1984.

8 The peace plan put forward by Costa Rican President Oscar Arias is noncommittal on these issues and focuses rather on internal democratization in Nicaragua.

9 Sol W. Sanders, "Mexico, KGB Lending Hand to Nicaragua's Marxists," *The Washington Times*, April 23, 1985.

10 *Ibid.*

11 See *Business Week*, January 19, 1981, p. 53.

12 *U.S. News & World Report*, October 8, 1984, p. 41.

in El Salvador. In doing so, he is carrying out the implicit bargain that Mexico's ruling PRI struck many years ago with Cuba and, by extension, with the Soviet Union.

Cuba

Mexico's policy toward Cuba must be a source of great satisfaction to the Kremlin, which views Havana as a major geopolitical outpost in the Western Hemisphere. More than any other nation, Mexico has legitimized Cuba's role as a regional actor and a necessary participant in regional decision making. The emotional ties between the two countries run deep; Fidel Castro and a group of fellow revolutionaries set sail from the Mexican island of Cozumel in 1956 to initiate the guerrilla war that toppled Cuban dictator Fulgencio Batista three years later.

In 1979, Mexican President Lopez Portillo gave Castro a red carpet welcome to Mexico and hailed him as "one of the personalities of this century" and as "a symbol and a legend."¹³ The following year, Lopez Portillo returned the visit. In Havana he declared: "We will put up with nothing that may be done to Cuba, because we would feel that it was being done to our very selves."¹⁴ Castro awarded his visitor the Order of Jose Marti, the highest decoration of the Cuban regime.¹⁵

In 1981, as the new Reagan Administration was adopting a tougher policy toward Cuba, Mexico signed an important energy agreement with the Castro regime. It stipulated that Mexico would help Cuba explore for oil, sell Cuba propane gas, expand the principal Cuban refinery, and assist Cuba in purchasing equipment on the world market for use in the oil industry.¹⁶ Exclaimed an unidentified senior Mexican diplomat: "We believe that our brotherly ties with Cuba represent the only real diplomatic leverage we Mexicans would have against you gringos in a showdown."¹⁷

SOVIET APPROACHES: A HISTORICAL PERSPECTIVE

The Comintern and Mexican Communism

Mexico is one of a handful of South American countries, along with Argentina and Uruguay, that have maintained friendly relations with the Soviet Union during most of the period since the 1917 Bolshevik Revolution. The communist movement in Mexico had few indigenous roots and was sired almost entirely by non-Mexicans. In its efforts to influence Mexico, Moscow utilized the Comintern, or Third International, an organization founded by the Kremlin in 1919 to promote worldwide communist revolution.

13 *The Economist*, May 26, 1979, p. 76.

14 *The News World*, New York, August 26, 1980.

15 The two sides issued a joint communique urging the United States to withdraw from its naval base in Guantanamo Bay, end the trade embargo against Cuba, and stop alleged violations of Cuban airspace [by the United States].

16 *The Washington Post*, February 8, 1981.

17 Jack Hood Vaughn, "Cuba, Mexico: Who's Co-opting Whom?" *The Wall Street Journal*, June 10, 1983.

The Mexican Communist Party (PCM), founded in September 1919, was officially recognized by the Comintern in 1920. This makes the PCM the oldest political organization in Mexico; it preceded by a decade the creation of the now governing Institutional Revolutionary Party (PRI). During the early 1920s, the PCM played a very important role in the newly emerging peasant movement, the *Liga Nacional* (National League of Peasants). In 1923 several communist-led peasant bands in the state of Veracruz rebelled against the forces of Mexican President Adolfo de la Huerta. The PCM's prestige grew during this period when a number of prominent artists joined its ranks and gave the party access to social and political circles that were beyond the reach of its proletarian and peasant leadership.

Early Diplomatic Links

In August 1924, Mexico, then under the presidency of General Plutarco Elias Calles, became the first country in the Americas to open diplomatic relations with the USSR. The Pan American Bureau of the Comintern (the name chosen rather than Latin American Bureau) began operations quickly. A Central American secretariat was created, and Bertram Wolfe, a Comintern representative from the U.S., edited its monthly publication, *The Liberator*. In 1926 the U.S. communist John Pepper (also known as Joseph Pogany) exclaimed that soon "Mexico [would become] the Canton of Latin America,"¹⁸ referring to Canton's key role in bringing communism to China.

Later, while Aleksandr Makar was Soviet ambassador to Mexico, Soviet-Mexican relations cooled. In January 1930, after communist-led demonstrations against Mexican embassies in several countries, Mexico broke diplomatic relations with the Soviet Union. Notes University of Pittsburgh Latin American specialist Cole Blasier, "The Soviet ambassador was ridden out of town on a rail, so to speak; his treatment was so bad that Mexico's refusal to apologize was a barrier to the reestablishment of relations in the 1930's."¹⁹ In 1930 also, the Mexican government suppressed the communist party (PCM), which had attempted to seize power during an army revolt the previous year.

Climbing Communist Membership. In 1935, during the presidency of Lazaro Cardenas, the ban on the PCM was lifted; its membership climbed to nearly 40,000, and it played a leading role in the peasant struggles and the creation of national unions of teachers, miners, and railroad and oilfield workers. The PCM, along with the Mexican government, also lent strong support to the pro-Soviet republican forces in the Spanish Civil War. Mexico provided asylum to tens of thousands of Spanish refugees, many of whom were communists or fellow travelers. Throughout this period, the PCM was subordinate to the Soviet Union and, until its dissolution in 1943, the Comintern. The PCM also was very dependent on the Communist Party of the United States.

18 Victor Alba, *Historia del Movimiento Obrero en America Latina* (Mexico: Libreros Mexicanos Unidos, 1964), p. 190.

19 Cole Blasier, *The Giant's Rival: The USSR and Latin America* (Pittsburgh: University of Pittsburgh Press, 1983), p. 25.

In 1947, the PCM's influence was diluted when Vicente Lombardo Toledano, head of the Confederation of Latin American Workers (CTAL), founded the People's Party. The CTAL was a Soviet front. Evidently created with the blessing of the USSR, it followed every twist and turn of the Soviet-led international communist movement. In 1960 it changed its name to the Socialist People's Party (PPS).

Mexico maintained diplomatic relations with the Kremlin during the Cold War, but the PCM's membership declined to 10,000 in 1947 and to 5,000 by 1952.²⁰ Nevertheless, until the Cuban revolution of 1959, Mexico City served as the international headquarters for communist parties in the Western hemisphere. In 1960, the PCM held a secret meeting to reinvigorate the party. Dionisio Encina, who had led the party for two decades, was ousted, and a collective leadership was installed that ruled until 1963 when Arnaldo Martinez Verdugo became the new secretary general.

SOVIET-MEXICAN RELATIONS SINCE 1959

The Impact of Mexico's New Foreign Policy Activism

The communist takeover of Cuba in 1959 focused Moscow's attention sharply on Latin America, where revolutionary prospects previously had been rated low. The Eisenhower-Khrushchev summit of that year was followed by the opening in Mexico City of a large Soviet exhibition to publicize the USSR's scientific and technological accomplishments. According to a U.S. student of Latin America, "the exhibition was designed both for propaganda purposes and to serve as a 'legal,' yet highly visible, means of testing the United States' reaction to a seemingly benign Soviet incursion into its traditional sphere of influence."²¹ The exhibition remained in Mexico from November 1959 to February 1960, when it moved on to Cuba.

Visiting Poland, Avoiding Moscow. For nearly a decade, Moscow concentrated on perfecting its relationship with Fidel Castro and thus had little time to develop relations with Mexico or other countries in the region. Mexican President Jose Lopez Mateos visited Poland and Yugoslavia in 1963, but he evidently avoided the Soviet Union so as not to anger the U.S.; he also reacted cautiously to Moscow's signals of interest in closer relations with Mexico.²² Mexican Foreign Minister Carillo Flores traveled to Moscow in 1968, but accomplished little of substance.

The Mexican political ferment of the 1960s culminated in the 1968 uprising in Mexico City that KGB agents helped instigate and exploit. It was quelled by the army, but it destroyed much of the progressive aura of the Mexican Revolution of 1910 and severely

20 Rollie Poppino, *International Communism in Latin America* (New York: The Free Press, 1964), p. 231.

21 Timothy Ashby, *The Bear in the Back Yard: Moscow's Caribbean Strategy* (Lexington, Massachusetts: Lexington Books, D.C. Heath & Co., 1987), p. 17.

22 See Yoram Shapira, *Mexican Foreign Policy Under Echeverria* (Beverly Hills, California: Sage Publications, 1978), pp. 41-42.

challenged the legitimacy of the political system that was the Revolution's ideological heritage.

Diverting Popular Attention. Luis Echeverria Alvarez, Mexico's President from 1970 to 1976, turned to the international arena to divert attention from the domestic crisis resulting from the riots. Echeverria, who as Minister of the Interior during the 1968 upheaval called in the army, sought not only to burnish his progressive-liberal image on the home front, and to compensate for the frustrations of reforming Mexican society, but also to create a Mexican foreign policy that would move it out from the U.S. shadow.

Echeverria's strong support for Fidel Castro and for Chilean Socialist President Salvador Allende Gossens particularly annoyed Washington and won plaudits from Moscow. In 1973 Echeverria visited the Soviet Union and China as part of a global tour. In 1975, with Cuba acting as a go-between, Mexico established working relations with the Soviet-dominated Council for Mutual Economic Assistance (generally known as COMECON).²³ In 1976 a Soviet-Mexican economic cooperation agreement was signed; it envisaged Soviet participation in Mexican mining, metallurgy, electric power, and agricultural development.

Lopez Portillo, who succeeded Echeverria as President in 1976, urged Mexico's political parties to register for legal status, in return for which they would obtain guaranteed seats in the Chamber of Deputies. The PCM registered in 1977, thereby creating a favorable atmosphere for Lopez Portillo's visit to the Soviet Union in May 1978. The visit reversed the low profile that Moscow had maintained toward Latin America after the overthrow of Allende in 1973. It also underscored the improvement in Soviet-Mexican relations since two Soviet "diplomats" had been expelled from Mexico in 1969 for spying and five others were deported in 1971 in connection with the MAR affair.

Oil, the Fuel for the Soviet-Mexican Connection

The most significant result of Lopez Portillo's 1978 visit was the agreement by which Mexico would supply crude oil to Cuba in exchange for the delivery of Soviet oil to Mexican customers in Greece, Turkey, and Eastern Europe. The volume of exports to Cuba was to reach 7,000 barrels per day — almost one-third of Mexico's total oil exports at the time the accord was signed.²⁴ Moscow called the talks between Lopez Portillo and Leonid Brezhnev an "historic milestone."²⁵ The deal, however, apparently fell through. Observes William and Mary College Professor of Government George Grayson: "...the Soviets prefer the nuisance of dispatching tankers from the Black Sea to Havana rather than relinquishing the political leverage that comes from controlling their satellite's energy lifeline."²⁶

Catering to Mexico's Desire. Aside from the oil deal, agreements on strengthening trade, cultural, athletic, and other forms of cooperation were concluded by Lopez Portillo during

23 See Marian Leighton, "Mexico, Cuba, and the Soviet Union: Ferment in the U.S. Backyard," *Radio Liberty Research*, December 27, 1979, p. 8.

24 *Business Week*, July 3, 1978.

25 *Izvestia*, August 4, 1979.

26 George W. Grayson, *The Politics of Mexican Oil* (Pittsburgh: University of Pittsburgh Press, 1980), p. 177.

his 1978 visit to Moscow. The two sides agreed to step up exchanges of parliamentary and other delegations to foster closer bilateral ties. In Moscow, meanwhile, Lopez Portillo extolled the virtues of U.S.-Soviet detente at a time when Moscow's adventurism in the Third World and human rights violations had largely discredited detente in Washington.

At the same time, the Kremlin was catering to Mexico's desire to play a more conspicuous role on the world stage. The spectacle of Fidel Castro's elevation under Soviet tutelage to a figure of international importance was not lost on Lopez Portillo — even when weighed against Moscow's extensive political and economic influence over Cuba.

Soviet-Mexican economic and scientific relations appeared to move forward after a several years hiatus with the announcement in August 1986 by Soviet charge d'affaires in Mexico City Gennadiy I. Zima that the two countries were working on a new oil transport accord. Zima offered to continue to supply Soviet oil to Mexican customers in Europe in exchange for the supply of Mexican crude to Cuba. In addition, Zima said that the USSR had offered Mexico the use of technical services for economic and scientific pursuits in outer space.²⁷

Growing Trade Ties

Under Secretary of Foreign Relations Jorge Eduardo Navarrete visited the Soviet Union in June 1979 to capitalize on the improved ties that had resulted from Lopez Portillo's trip. Navarrete signed an accord establishing exchange programs in education, culture, and the social sciences and expressed a desire for closer bilateral ties with member nations of COMECON, the Soviet bloc trading group.

Soviet exports to Mexico during the 1970s averaged a mere \$9 million yearly. By the beginning of this decade, this figure had climbed to about \$24 million. In 1979 *Izvestia* reported that "the creation of a [COMECON]-Mexico mixed commission is helping to develop business contacts with the Soviet Union and other Socialist countries."²⁸ In 1981 Raul Salinas Lozano, director-general of the Mexican Foreign Trade Institute (and the father of the man chosen by the ruling PRI as its 1988 presidential candidate), headed a trade delegation to the Soviet Union, Bulgaria, Romania, and Yugoslavia. He stated that Mexico wanted to give its trade with the Socialist countries greater stability and permanence.²⁹

In 1983 the USSR and Mexico formed a Joint Commission for Economic Trade and Coordination. The Soviets promised to construct two textile factories in the state of Chihuahua, bordering the U.S. The Mexicans will sell steel products, pipes, and oil-drilling equipment to the Soviet Union, send workers there for training, and explore possibilities

²⁷ *Insight*, August 31, 1987, p. 37.

²⁸ *Izvestia*, August 4, 1979.

²⁹ *Notimex*, Mexico City, June 5, 1981.

for the joint manufacture of tractors.³⁰ The Soviets already export machinery and tools for the textile industry to Mexico and import coffee, pimentos, men's clothing, and some sugar.

Soviet Probes for Defense Ties

A five-day visit to Moscow in September 1979 by Mexico's Secretary of National Defense Felix Galvan Lopez generated speculation that Mexico's growing contact with the Soviet Union might expand to military-related activities. As a guest of Soviet Defense Minister Dmitri F. Ustinov, Galvan Lopez visited the Frunze Military Academy and a military district headquarters in Leningrad, where he inspected Soviet weaponry. Although he denied that Mexico was shopping for military equipment, Galvan Lopez announced that his country might send some officers to Soviet military training schools.³¹ According to the Soviet armed forces newspaper, *Krasnaya Zvezda*, the two defense officials promised "to make an effort to expand bilateral ties in the military sphere."³² Then in July 1980, General of the Army Ivan Pavlovsky, a Soviet deputy minister of defense, journeyed to Mexico to participate in National Day celebrations.³³ Despite these exchanges, however, Mexico remains unlikely to strain its relations with the U.S. by embarking upon more substantive military ties with the Soviets.

A Soviet naval task force in 1985 was scheduled to pay a port call to Mexico — the first ever by Soviet naval vessels. Moscow tested U.S. reaction to this by leaking news of the call at the southern port of Veracruz via the Mexico City offices of the Cuban newspaper *Prensa Latina*. Washington expressed concern but claimed that "Mexico is a sovereign nation that can make its own decisions on such matters." U.S. pressure, however, ultimately forced the cancellation of the visit.³⁴

Political and Economic Developments in the 1980s

Soviet-Mexican relations have grown during this decade, even though Mexico voted in favor of U.N. resolutions implicitly condemning the invasion of Afghanistan. Mexico ignored the U.S.-sponsored boycott of the 1980 Moscow Olympics and sent a team of athletes to the Games. Mexican Foreign Minister Jorge Castaneda visited Moscow in 1981.³⁵

The following year, Geidar Aliyev, then a candidate member of the Soviet Communist Party's Politburo, headed a Soviet delegation to Mexico. In June 1983 the influential Mexican newspaper *Excelsior* reported that a bilateral maritime agreement had been signed

30 U.S. Department of State, *Soviet Influence Activities: A Report on Active Measures and Propaganda, 1986-87* (Washington, D.C., 1987), p. 65.

31 *Reuters*, September 25, 1979.

32 *Krasnaya Zvezda*, September 26, 1979.

33 TASS, September 13, 1980.

34 See *The Washington Post*, September 13, 1985, and Ashby, *op. cit.*, p. 170.

35 Castaneda, who served under presidents Echeverria and Lopez Portillo, popularized the concept of "dependencia." It postulates that the political and economic problems of Mexico--and of Latin America in general--stem from heavy dependence on the United States and can be resolved only if the region speaks with a single voice vis-a-vis Washington, and Mexico plays a leading role in the region.

involving the training of sailors for joint merchant marine programs. Temirbeck Koshoev, vice president of the Presidium of the Supreme Soviet, journeyed to Mexico City in July 1984, en route home from Nicaragua. The following month, Soviet Ambassador to Mexico Rostislav Sergeev and Mexican Foreign Secretary Sepulveda participated in celebrations commemorating the 60th anniversary of the establishment of Soviet-Mexican diplomatic relations.

Agreeing on "Virtually All" Foreign Policies. In September 1984, Ivan V. Kapitonov, a member of the Soviet Communist Party Secretariat and a deputy of the Supreme Soviet, headed a delegation to Mexico at the invitation of the Mexican National Congress. During a meeting with President Miguel de la Madrid, Kapitonov remarked that Soviet-Mexican relations constituted a "perfect example" of peaceful coexistence between countries with different socioeconomic systems and was quoted as stating that the USSR and Mexico agreed on "virtually all" foreign policy issues, especially on the need to curb through diplomacy the "aggressive policies" plaguing Central America.

Mexico's hosting of an International Peace Conference in March 1986 also allowed Moscow an opportunity for Soviet overtures aimed at promoting friendlier relations. The Soviet Union has been a vocal supporter of the "Delhi Six," a loose coalition composed of Argentina, Greece, India, Mexico, Sweden, and Tanzania that supports ending nuclear tests and other steps toward disarmament. The Six reportedly have volunteered their countries as sites for monitoring underground nuclear tests.

The Shevardnadze Visit and Its Aftermath

The highest-level Soviet visit to Mexico to date has been that of Soviet Foreign Minister Eduard Shevardnadze in October 1986. His was the first journey by Soviet official of his rank to any Latin American country but Cuba.

In the aftermath of this visit, Mexican Secretary of Commerce Hector Hernandez visited the USSR, where he held discussions at COMECON headquarters about ways to expand Mexican cooperation with the organization's member countries. Foreign Minister Bernardo Sepulveda Amor reciprocated Shevardnadze's visit in May 1987. He met in Moscow with Soviet leader Mikhail Gorbachev and Shevardnadze, signed an agreement to boost bilateral trade from the \$18.3 million figure of 1986 to \$300 million within five years, and explored further the mutual cost efficiency of supplying oil to Cuba in return for Soviet oil deliveries to Eastern (or Western) Europe.

FUTURE TRENDS IN MEXICAN-SOVIET RELATIONS

Soviet efforts to establish closer relations with Mexico undoubtedly will continue, because of Mexico's regional political importance and because of its geostrategic significance as the ultimate prize in the U.S. backyard. As in the past, Soviet overtures will be made against a backdrop of anti-American sentiment in Mexico, even though almost 150 years have passed since the Mexican-American War.

Soviet propagandists are adept at exploiting every U.S. snub — whether real or imagined — toward Mexico. A recent example involved comments by Senator Jesse Helms, the North Carolina Republican, about alleged fraud and corruption in Mexico's political system. Soviet Ambassador to Mexico Rostislav Sergeyev called the Senator's remarks "unbelievable meddling" in Mexican domestic affairs in "flagrant violation of international law."³⁶ The Soviets also have planted articles in the Mexican press in connection with their worldwide disinformation campaign saying that the AIDS virus was created in a U.S. military laboratory at Fort Detrick, Maryland, as part of an experiment with biological weapons.

Parlaying Moscow's Growing Influence. While Mexico is very careful not to ruffle U.S. feathers unduly (for example, it has not joined OPEC, although its oil prices are comparable), it nonetheless affords the Soviets common political ground on such issues as peace, disarmament, more "equitable" trade relations with the U.S., anti-imperialism, and support for national liberation movements. Based upon these mutual interests, the Kremlin can be expected to seek an expansion of ties with Mexico in the political, economic, and cultural fields and, perhaps ultimately, in the military. Then the USSR will attempt to parlay its growing influence and contacts in Mexico into a larger Soviet role in Central America and the Caribbean.

Moscow also will attempt to strengthen the Mexican left and make it more responsive to Soviet direction. The Soviets will monitor closely the course of the new Mexican Socialist Party, which was formed last year. A coalition of five left-wing parties, including the PCM, this Mexican Socialist Party will have its first test during the this year's presidential election. If the Communists maintain a leading role in the new party and through it appeal to a broad sector of Mexican society, Soviet influence in Mexico might increase accordingly.

Misplaced Western Optimism. In the meantime, the USSR, through its diplomatic staff and KGB residency, will attempt to strengthen its position among pro-Communist organizations, front groups, labor unions, and other bodies to maximize its chances of subverting the Mexican government whenever the time is deemed propitious. Communist popular front strategy in Mexico already has yielded rich dividends in terms of influence in the labor movement, educational institutions, and the media. This strategy shows every sign of being continued and even expanded.

The optimistic predictions of many Western observers that Mexico's long-established and stable political system and its left-leaning foreign policy will insulate it against a communist takeover may be misplaced. The Cubans work closely with the KGB in Mexico, and any destabilization campaign would certainly include the Soviet Union's concurrence.

Growing Soviet-Cuban influence in Central America and the Caribbean could give Moscow the leverage to slow the flow of Mexican oil to the U.S. just when anti-American forces already exercise a potential stranglehold on the oil-rich Persian Gulf. Moreover, Moscow will continue to press for deals involving the shipment of Mexican oil to Soviet clients and customers, thereby reducing the amount of oil that Mexico has available for the

36 Quoted in *El Nacional* (Mexico City), June 20, 1986.

U.S. In this connection, it would not be surprising if Soviet disinformation specialists were to spread rumors about alleged U.S. plans to seize control of Mexico's oilfields.

IMPLICATIONS FOR THE UNITED STATES

Soviet overtures toward Mexico are part of an emerging pattern of communist bloc activity south of the U.S. border. Nicaragua already is under communist rule, El Salvador is still beset by a communist insurgency, and Cuban-backed guerrilla warfare in Guatemala poses an incipient threat to southern Mexico, especially the states of Chiapas, Yucatan, and oil-rich Campeche.³⁷ Similar Indian tribes inhabit both sides of the Mexican-Guatemalan frontier, and Guatemalan troops occasionally have pursued insurgents across the border. A growing number of Guatemalan refugees live in camps near the frontier. A U.S. observer has pointed out that "if El Salvador and Guatemala have successful revolutions, Mexico's political system will come under even greater strain. Leftist groups within Mexico will feel that history is on their side and will pursue more aggressively their demands for a more equitable distribution of Mexico's wealth."³⁸

A "Northern Strategy" Against the U.S. Soviet agents may well attempt to foment revolution in the northern as well as southern regions of Mexico. It is noteworthy that the Mexican communists claim to be developing a "northern strategy" addressed to the peculiar socioeconomic landscape of that part of the country. If the Soviets succeed in establishing consulates in the north, their recruitment efforts in both northern Mexico and in the Mexican communities in the southwestern U.S. would be greatly facilitated.

If unrest in Mexico, instigated by the Soviets and their agents, reached large-scale proportions, the spillover effect into the U.S. could be severe. Some observers believe that the number of Mexican refugees entering the U.S. could exceed 10 million and that "to effectively seal the border would take billions of dollars' worth of sophisticated electronics and at least half the U.S. Army's divisions."³⁹ For this reason, the prime U.S. concern in Mexico is the preservation of political stability. By the same token, the Soviets' chief aim will be to preclude Mexico's serving as a secure "rear line" of American "imperialism."

Hamper U.S. Defense Planning. Legitimization of a Soviet role in the Western Hemisphere, and especially in the Central American peace process, could greatly complicate U.S. diplomacy. Even more ominous, however, would be a turn by Mexico toward closer political-military ties with the Soviet Union. Such a policy would hamper U.S. defense planning by forcing Washington to devote its attention and resources more toward its southern border and correspondingly less toward Europe, the Middle East, and

37 Two former U.S. officials have written that "the southern Mexican region has a rich tradition of opposition to the federal government. An 1847 uprising of the oppressed Indians of Yucatan was so serious that the ruling elite pleaded in vain for annexation by the United States, Great Britain, or Spain. The rebellion took several years to suppress, and resistance continued until the beginning of this century." See Sally Shelton Colby and Marshall Lee Miller, "The Volcano Down Below," *Armed Forces Journal*, June 1986, p. 88.

38 Susan Kaufman Purcell, "Mexico-U.S. Relations: Big Initiatives Can Cause Big Problems," *Foreign Affairs*, Winter 1981-82, p. 391.

39 Colby and Miller, *op. cit.*, p. 90.

elsewhere. It also could jeopardize the security of the sea lanes in the Caribbean and adjoining regions. A great deal is at stake as the Soviet-Mexican relationship evolves.

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