

CIA HISTORICAL REVIEW PROGRAM
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C/R 25

CONTACT REPORT

2003

1100, 28 November 1953

Office of DCI

PERSONS PRESENT: DCI
Senator Bourke B. Hickenlooper (R-Iowa)

COVER USED: None

DISCUSSION:

1. At the request of DCI, [] were invited to participate in the debriefing of Senator Hickenlooper as a result of the latter's recent tour of Latin America. No specific instructions were provided. Accordingly, the following significant comments are recorded as having been made by Hickenlooper:

General Impressions

Speaking of South America, it was his impression that there existed at the present time a favorable atmosphere concerning relations with the United States, and that as for Communism we were holding our own. American business participation, although obviously handicapped by many labor benefits, in general appears to be healthy, and the Latins appeared to desire to find a way to participate more fully in American capitalist ventures. However, social legislation on such matters as severance and pay for workers represented a serious handicap to American businessmen and was not one which could easily be resolved. Protection of American investment was recognized in most countries as a reasonable requirement in order to induce more investments to come into their countries. In the southernmost part of South America he noted considerable orientation towards Europe and, surprisingly, towards Canada. In general, however, most countries in South America look to the United States for economic and social progress. In Central America he was struck by the seriousness of the Communist situation in Guatemala and recognized it as an immediate danger to our country and one which something should be done about.

Argentina

In an hour and a half conversation with Peron, their topics were light and general for the most part; however, he quoted Peron as saying that he was aware of the Russian menace and that he was fighting Communism in every way that he could. Peron stated to

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him that his country could be counted upon to fulfill its role in the Hemispheric defense program and that they would devote every resource to this end. He stated in this connection that what they needed most at this time was ship repair facilities and that they had neither the know-how nor the means to develop same, and accordingly, made a strong bid for American support in this direction. Referring to other activities in Argentina, Peron stated that his people had the ability and the wherewithal necessary to develop its own oil and other resources. Peron was described as being very cordial and effusive about his friendship towards the United States. The Senator observed that there was a trend away from idolizing Evita, that fewer signs were appearing and for the most part, no new ones replaced those previously put up. New signs simply stated Peron's "cumple" instead of the former "Evita dignifica." As a matter of comment, he said this may, of course, be due to Peron's new love interest (probably referring to Maria Teran de Weiss). In general there appeared to be prosperity and stability in Argentina. The Senator, without qualifying the source, stated he had heard the rumor that Peron was going to restore La Prensa somewhat to its former status, although nothing specific was mentioned. However, it appeared to be understood that this would not include the return of Gainza Paz.

Brazil

The Senator had no particular comment to make about Brazil except he seemed to be aware that all was not going well. His only remarks were confined to the experience of American businessmen who tried to close out a hotel but found it almost impossible to do so due to the exorbitant cost involved in paying severance salaries. Thus, the hotel was continued in business. This was cited as an example of the difficulties of doing business under such conditions.

Chile

No particular impressions of any significance were mentioned, although the Senator again cited an example of an American businessman engaged in a mercantile business being confronted with a similar experience as the foregoing in Brazil.

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Colombia

In his brief visit at the airport in Cali, he had several discussions with the Governor of the Department and the Chief of Protocol, during which he ascertained that in their opinion the Government was presently enjoying a period of stability and tranquility which they thought would continue, providing the new President did not resort to overexercising his authority as happened in the past. He reviewed briefly the recent events in Colombia concerning the guerrilla activity in the llanos and how it had been brought to a successful conclusion, thus restoring peace and order throughout the country.

Peru

He cited the present oil negotiations in Peru as being an excellent example of how it is possible to work with American capital in Latin America, and that the Peruvians appear to be very contented with it.

Venezuela

Aside from general comments about the successful economic relationships between the oil companies and the Venezuelan Government, the Senator remarked that he noticed their particular apprehension and interest in the affairs of Guatemala. The Venezuelans he talked to appeared quite concerned about the dangers of the Communist advances in Guatemala.

Cuba

In his talks with Batista, the latter evidenced considerable interest in ~~inducing~~ American investments and working out satisfactory arrangements in order to help build up his economy. Batista seemed concerned also about the Communist activity in Guatemala, and he and others made frequent reference to it.

Costa Rica

The Senator met Jose Figueres and had an interesting conversation with him and learned of the latter's plans for the social and economic benefits of the people and his unveiled attitude towards the United Fruit Company in Costa Rica. Figueres was quoted as

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having made it quite clear that it was his intention to follow the pattern of Guatemala in respect to the United Fruit Company.

Nicaragua

At the time of his visit, President Somoza was in Argentina; therefore, the Senator talked only to his two sons, the Vice President and Tico. Both of Somoza's boys evidenced considerable enthusiasm and cordiality towards the United States and explained their plans for opening up new lands for development by Nicaraguan farmers and how Somoza was attempting to improve the economy by building up his cattle stock and other activities.

El Salvador

Again spending only a few hours at the airport, the Senator received the impression from those he talked with that the Salvadorans were very apprehensive over the threat which they recognized in the Communist Government of Guatemala.

Guatemala

At one time in the discussion the Senator said he did not actually visit Guatemala. Yet, he later described the visit to a museum in Guatemala City. In the latter he mentioned how this American curator, in response to a question regarding the lack of organization among the people against the Communists, pointed out to him the highly diversified society which exists, in which so many different languages and dialogues were spoken and how the Indian culture was still tribal and for the most part confined to their respective valleys. The Senator seemed to be fully aware of the danger of Communism in Guatemala and reiterated several times the need for some positive action, but made no specific mention of what form this action should take.

2. The Senator described in detail an agricultural experimental school in Guatemala which had been established and maintained for a number of years by the Iowa State College of Agriculture and Mechanical Arts (land-grant college in Ames, Iowa) to experiment with various corn seeds. One of the achievements of this experimental farm was said to be that the type of corn which had been developed now represented 90 per cent of all the corn raised in Guatemala. This farm was initiated through the efforts of Professor Emeritus Charles E. Friley of Iowa State College, who a number of years ago conceived of the idea and obtained financial support through the former owner of the American Seed Company of Shenandoah, Iowa.

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The Senator is a close personal friend of Friley's and felt that this agricultural farm represented an excellent example of how the United States could influence the Guatemalans and stated that the experimental farm project was presently in a dire state financially, as the original sponsor had died and the college was no longer able to maintain it as they were prohibited the use of State funds for this purpose. The Senator added that this would be a very worthy undertaking for some foundation, such as the Rockefeller Foundation, to take over and sponsor. Mr. Dulles evidenced interest in this experimental farm and requested [] to look into it further to see whether there is anything that could be done.

Report to Congress

The Senator explained that he does not plan to make any public speeches on his tour until Congress convenes in January, and has not yet said whether he would make two separate addresses or one, as it was necessary for him to report on the findings of his trip pertaining to the activities of the Information Service. Under Mr. Dulles' prodding, the Senator agreed that if he had more factual information concerning the activities of the Guatemalan Communists outside of the latter country and their influence and potential danger to the Hemisphere, he would greatly welcome such information and incorporate it in his official address. It was agreed that such information would be provided and Mr. Dulles asked [] to prepare suggested material for this purpose. The Senator said he would be back in Washington on the 15th or 16th of December and would be happy to have the information at that time.

DECISIONS:

a. That [] would investigate the experimental farm mentioned above to determine whether it contained any value for CIA's program, either propaganda-wise or for covert operations.

b. That [] would prepare suggested notes for Mr. Dulles' approval and subsequent transmittal to Senator Hickenlooper on or about 16 December. The latter notes would provide only such general factual data as would serve to illustrate the threat imposed by the present Communist regime in Guatemala City and would appear to be that which the Senator might have acquired on his tour.

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COMMENTS:

The above discussion was mostly general and jumped from one subject to another. The Senator had few factual comments to make and gave the impression that for the most part his interviews, although with important people, were somewhat superficial. He did, however, describe an interesting discussion with Peron on the Point Four program, in which he pointed out that the basic principle involved in this program is simply one of adopting the very means which enabled the United States in its infancy to develop its own resources and which played such a dominant role in building this country to its present status. He described how in our early days of development it was British, French, German, Swedish, and Italian capital and engineers and specialists that helped us to develop our resources and that the profit which they extracted in the long run was of little significance compared to the contribution they made to the progress of our country. This manner of presentation appeared to be effective and is one worthy of note. The Senator appeared aware of the danger of Communism in Guatemala and its influence in Central America and upon Venezuela and Cuba. He did not think that it represented any menace in the other countries of Latin America, but he was conscious of the need for further and more generous cooperation on the part of the United States if we are to expect the continued support of these countries. He seemed impressed with the fact that each country had its own thoughts and regional ideas and that they did not think of themselves as part of any particular bloc, inferring that there was a danger of fallacious thinking by all those who considered Latin America as a solid bloc of thought and action. Thus, there was need for individual treatment country by country.

RECOMMENDATIONS:

Recommended that: a. the experimental farm be considered and investigated to determine whether it represents any covert asset for PBSUCCESS. b. That the notes prepared for the Senator be tailorized to fit the PBSUCCESS overt themes in order to gain the profits of bringing before the Congress and people of the United States the true danger to the latter of unbridled Communist activity on its doorstep.

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