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2003

DISPATCH NO. HUL-A-1039

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4 JUN 1954

TO PBSUCCESS, Headquarters

DATE _____

FROM LINCOLN

SUBJECT { GENERAL KUGOWN
SPECIFIC Further counter-measures to repudiate communist at-
tacks on U.S. "imperialism" in Guatemala (and in
Latin America, in general)

REF: HUL-A-1052

1. Apart from the immediate need for "tactical" counter-action, as suggested in reference, we continue to be faced with the basic or "strategic" problem of countering the communist claim that U.S. anti-communism is merely a disguise for the "imperialist" interests of U.S. "capitalistic monopolies." This claim is not only raised in all communist and government media in Guatemala but in communist propaganda everywhere, including virtual daily comments by radio Moscow. The problem is particularly difficult for two major reasons:

a. Said communist claim is obviously believed by a substantial part of the people in Guatemala and throughout Latin America - which explains also to a large extent why a mere handful of communists is able to exert predominant influence on government policies and on public opinion in Guatemala (and elsewhere);

b. PBSUCCESS has hardly a positive program with which to counter that claim, the few positive statements by CALLIGERIS and [] being very general and not at all forceful enough to undo the rather substantial effects of communist propaganda.

2. It cannot be LINCOLN's task to speculate what ODYOKE policy in general might do to undermine and outflank the above described communist "position of strength." But even for the immediate KUGOWN needs of PBSUCCESS, a more coherent and vigorous counter-effort is obviously needed. Such a counter-effort should be based, we believe, on the following propositions:

a. The only imperialism operating today - i.e. at least since 1939 - is that of the Soviet Union. Imperialism is the use of

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government power for the exploitation of foreign territories and peoples. Only the USSR has annexed foreign countries since 1939 and is exploiting satellite territories for its own political and economic benefit.

b. The economic structure of the Soviet Union, including its foreign trade, is truly monopolistic and completely government-controlled, thereby putting the political and military power of the USSR at the disposal of Russia's economic interests. This puts any country dealing with the Soviet Union (or any other communist state) at a grave disadvantage.

c. No such monopolies and no such close links between economy and government exist either in the U.S. or in Britain, France or any other "capitalist" country. Proof: the Sherman Act and the many anti-trust law suits undertaken by the U.S. Government; the SEC legislation; the duty of high government officials to divest themselves of "incompatible" business properties before accepting high public office, etc.

d. U.S.-owned and operated enterprises in foreign countries treat their personnel much better than similar communist enterprises.

e. Social security and other labor legislation in "capitalist" countries is much more advantageous to the workers than the corresponding institutions in the Soviet orbit.

3. All the above themes lend themselves to overt as well as to clandestine treatment. Point 2-c above can be best argued by overt U.S. Government and private U.S. sources and media, while Point 2-d might be the point of departure for a well-integrated public relations program to be undertaken (long overdue) by UFCO and the other corporations concerned. We suggest that you address appropriate recommendations to ODACID, QKFLOWAGE and - if possible and advisable - directly to UFCO and other interested corporations as well.

4. In the interest of PBSUCCESS and particularly in view of the present state of mail, press and radio censorship in Guatemala, it will be necessary to take action along the lines suggested in para 2 above through KUBARK-controlled and influenced media as well, especially via SHERWOOD and the publication outlets in the LINCOLN area. We therefore request that you furnish us continuously with pertinent material, especially with articles, radio scripts, background material, statistics, pictures on the following subjects:

- a. Soviet territorial conquests
- b. Atrocities committed by Soviet troops in occupied and annexed areas (Latin American audiences might be more impressed if such stories come from Asia rather than from Europe - not excluding the latter, however)

- c. Soviet economic exploitation of occupied and satellite areas, including both direct plunder and forcible "adjustment" of the respective economies to serve Russian interests
- d. Experiences of countries and enterprises which did business with the Soviet Union and other communist countries
- e. Comparisons between labor conditions, labor legislation and general standards of living in the Soviet orbit, on the one hand, and in democratic countries, on the other hand (using, for obvious reasons, less the U.S. than other Western countries, including free Asian countries, for comparison purposes)
- f. Labor conditions and treatment of indigenous workers in Soviet enterprises abroad, e.g. in the Soviet zones of Germany and Austria, in Manchuria and North Korea, etc.

5. We further recommend that an official ODACID study be published along the lines of para 2-c above (or, perhaps better, that a well reputed economist or professor of political science from a Latin American country be invited to undertake such a study, perhaps on a grant from one of the major foundations) and that the findings be given maximum publicity.

6. In view of the close interrelationship in public opinion between Guatemala and other Latin American, especially Central American countries, we suggest that similar materials be furnished to KUBARK stations outside the LINCOLN area as well.

7. Much of the material requested in para 4 above is undoubtedly in your files and should reach us within the next few days. Other aspects of the proposals made in the present dispatch may require more time-consuming preparations and may not be completed before PBSUCCESS has reached its climax: this is, however, a task which undoubtedly goes well beyond the limits of PBSUCCESS, in time as well as in geographic applicability, and we urge you therefore to initiate action on a sufficiently broad and effective scale in any case. Please keep us advised on your decisions made and action taken, including coordination with ODACID, QKFLOWAGE and with the business enterprises concerned.

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WDP:EFL/c
2 June 1954

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WILLIAM D. PLAYDON

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