

Communism Ghost Haunts Guatemala

By HENRY N. TAYLOR

GUATEMALA CITY, Feb. 1.—Guatemala today is almost too tranquil to be true.

Six years ago this for all practical purposes was a Communist colony, the first and only one ever established in America's home hemisphere. Five years ago Guatemala had become the only country in the world ever to shift back to the anti-Communist side.

The late John Foster Dulles credited the overthrow of Communist rule here to "the just wrath of the Guatemalan people." Communists howled that "the Guatemalan people's fight for freedom was crushed by a massive Yankee invasion."

The fact is the vast majority of Guatemalans had no idea that the deposed president Jacobo Arbenz was a Communist stooge. Mr. Arbenz's army simply refused to fight against a tough but tiny invasion mounted by anti-Communist Col. Carlos Castillo Armas.



Henry N. Taylor

Communism was only skin deep in Guatemala. So, unfortunately, is democracy today.

President Ydigoras Fuentes, a nationalist, ending that of 1954 with today, deconstructing the Xelajú Cagué, recently was a national election which reinforced his middle-of-the-road majority at the expense of the extreme right and left. Diplomats here have begun to breathe easier. During his administration, Mr. Ydigoras appears in his a timely stretch in the presidency.

"I know they're plotting against me," he said, in his palace here. "Juan José Arévalo in Cuba and Arbenz (who had to Uruguay). But I don't think they can hurt us much now. Both the army and the people were with the government."

Mr. Ydigoras is getting along swimmingly with the United Fruit Co., the American concern which plucks 800 million Guatemalan bananas a year and is this country's biggest single landholder.

"We respect President Ydigoras as an active politician," said William Tallon, the company's manager here, a 25-year veteran in Guatemala.

Yet, beneath this rosy political surface, the sober fact is that not much is happening here in Guatemala to correct the basic facts of national life which permitted communism to attach itself in the first place.

Although the United Fruit's 9400 Guatemalan employees are paid twice the national average rate and get excellent health care and schooling, hundreds of thousands of other farm workers are averaging 20 cents a day. The vast bulk of wealth—and almost all Guatemala's political say—remains in a few not-too-cold hands.

United States aid, \$80 million from a gushingly grateful Congress since the Reds were overthrown here in 1954, has been voted in such quantity it could scarcely be spent here. Only \$10 million is left in the pipeline. Most of it has gone for roads and rural development. This provided a lot of jobs. But it also leaves President Ydigoras eager for even more money to develop industries, now that the roads are mostly finished.

Of course, struggling democracy is healthier for Guatemala than communism. But in the long run—with the rich here getting richer and the poor getting children—diplomats wonder how long it will be before Guatemala has another revolution which will represent the "just wrath" of an impoverished people, and not just one more displacement of a minority government from the top.

Ike's Tour a Success--Convinces Latin 'Uncle Sam in the Family'

By RENEY N. TAYLOR, Scripps-Herald Staff Writer

FAMILY ALL: Even if BANK, the first of dent. Escalante is back as North American and if any single cause sums up the hopeful aspect of his 1959 - into South American trip. It is the commitment of Chile's former minister General Juan Vergara to the

"The United States is coming into the inner circle of the American family and is no longer just a rich and distant state."

The communicated loss by anything he said or practiced that by his sincere and interested presence. His formal speeches sparked few murmurs.

But, often without even opening his mouth, he seems to have conveyed the impression to hundreds of thousands of fellow citizens of the Western Hemisphere that the United States wants peace, that the United States respects the individual on another nation's affairs, and that "an era of neglect" is ending.

In many places, he was received with almost superstitious

devotion. In a demonstration of a Chilean slum clearance development, a young mother rushed up to him with her prize-cupped 1-year-old daughter near, him to take the child home to a United States hospital, somewhat as substitute of the English language conveyed around to benefit from the medical benefits. (The girl's mother, Teresa, was following the line to see what could be done for the child.)

But at a public meeting held the same, he heard some hard words from Latin American presidents who lectured him about the "drive toward democracy" in the Latin American continent, where the people will outnumber North Americans two to one by 1960. "Let us prevent the hope of this continent from being converted into revolt and despair," said the Chilean.

In Chile he got from words from Jorge Alessandri Rodriguez, Chile's minister over United States control-import controls.

And Uruguay's Benito Nardone warned the United States to buy more wool or risk seeing Uruguay dangerously dependent

on new Chilean markets.

He didn't discuss specifics, and he didn't talk money, nor was he expected to. Both sides regarded his trip as merely the beginning to what may become a new North-South relationship. His hosts in most places told him they hope future United States presidents will visit Latin America as a regular event.

Despite public desire, Cuba was repeatedly discovered in talks the first with Latin American leaders, and in other Secretary of State Foster held with lower echelon officials. The consensus was that President Eisenhower should resist the outburst of impatient reaction against Castro's denunciations. Latin leaders warned that any overt United States move against Castro would let rally Cubans behind him and judge the island even closer toward Moscow's orbit.

As officials in the party look back over 10 days, one of the most striking events has been the widely circulated letter of grievances presented by the Chilean Student Generation. (University leaders in Chile's Wednesday are to be criticized as "too strict" in their response reaction by Minister de la Roca. There is no evidence the officials played any physical action against the.)

The Chilean students' letter is a carefully drafted, deliberate outburst. "We have stopped hoping your country will have begun to be a world nucleus in the world politics of the United States," it said. The students, with equal indignation of how Uncle Sam, allegedly takes more from Latin America than he gives.

He called this letter, unfortunately uninformed. But promised a full answer later. The fact that the President of the United States is actually replying in detail to accusations by a group of college students in distant Chile is itself a symptom of what officials hope the trip may have begun. It is a serious attempt to understand one another even if this means talking unpleasant truths.

How Castro's Hate Campaign Against U. S. Is Spreading

By HENRY N. TAYLOR
Scripps-Howard Staff Writer

HAVANA, March 22.—When a North American flies into Havana Airport nowadays, there still are signs saying "Welcome Amigo," and three grinning guitarists plunk a gay rhumba. But walk 20 yards inside this country and the next sign says: "Give thanks for planes to resist foreign aggression."

Outside in the parking lot, two platoons of soldiers are being marched around in columns. Beside them, spike-heeled airline salesgirls tramp along in overalls. All have serious faces, even when two khakied young recruits in command confusedly cause the columns to collide.

This is no comic opera matter. Fidel Castro has proclaimed Cuba "is under attack, and we will fight to the last breath." To him it is Concord and Lexington, and the day after Pearl Harbor.

It is Cuba's time for thinking the way some of the U. S. American's own founding fathers may have thought when they chose our own first super-defensive president, a cold rattlesnake with the challenge, "Don't tread on me!"

A monstrous tragedy seems in the making here, a tragedy of foreign misunderstanding.

"We know you individual Americans are not to blame for the bombing and sabotage which your government directs against us," says a Cuban student, in the same way Americans used to say, "It's not the German people we hate, but only Hitler."

His real answer, "But my government doesn't murder people any more than I do," Cubans shake their heads and say, "You must have seen the charred bodies after that weapons ship was sabotaged."



TAYLOR

'Big Lie' Technique Used Freely

Castro had admitted he has no proof that the March 4 explosion of a French freighter was planned by the United States, or even that it was sabotage. But he told the Cubans they should blame an "aggressor" most interested in preventing arms deliveries to Cuba, namely Uncle Sam. And what Fidel Castro says here goes.

No preposterousness is too much for Castro's propagandists. The Cubans are being told that President Eisenhower's recent Latin American trip was to organize an armed crusade against Castro.

The government took over 83 radio and television stations February 6 and Cubans since have benefited an increasing diet of hate.

Embattled patriotism seems the order of the day here. Switch a radio on, and the air is full of rewritten history, including the lie that the 1898 war which made Cuba independent was a Washington conspiracy to prevent Cubans from winning their own freedom from Spain. It's as if Castro's regime were determined to cut Cuba adrift from her past and to move this friendly island of six million people out from under the stifling shadow of Uncle Sam.

It is hard here to see Castro's rising relationship with Russia in any other context. So far, it seems less a pen for Communism than a declaration of independence to spite the U. S. The "big lie" and other plunges leftward, are to "teach Uncle Sam a lesson."

U. S. Tourists Staying Away

Some recent situations would be funny if they weren't so sad. Havana's marbled hotels, once abustle with Cuba's \$50 million tourist income, now are tomb-silent.

Castro's Tourist Committee has spent more than \$1 million on attractive advertisements in U. S. publications, only to bury them under yards of scare stories about a "militant people" alert to "repel invasion."

Privately, a few Cubans now tell you they think Washington has been remarkably patient. But even the middle class, which has come into quiet opposition to Castro, feels the U. S. has been either careless or unlucky lately in a propaganda sense.

For one thing, the fire-bombings of Cuban sugar cane fields, presumably from Florida, continue. Washington keeps arguing that it's almost impossible to prevent Cuban exiles or mercenary Americans now and then from flying 50 minutes south from one of Florida's 280 small air fields. But the Cubans don't understand this.

Then there is Jose Eleuterio Pedraza, a Cuban exile general who last month was admitted to the United States despite a record as one of ex-Dictator Batista's bloodiest henchmen. The State Department explains that Pedraza had a valid four-year visitor's visa, dating from Batista days, and could not be barred. The unpublished fact is that a State Department circular had asked all ports to bar Pedraza on sight, visa or no visa. But somewhere Immigration Department gate-watchers slipped up.

May Be Last Attempt

Such things make the job of Ambassador Philip Bonsal—just back in Havana—harder than ever. He will be making a new—and perhaps last—attempt to do business with Castro.

The atmosphere has not been helped by the defection of Comdr. Miguel Pons, Cuba's naval attache in Washington, with the accusation that "Fidelismo is a mask behind which hides international Communism."

Rightly or wrongly, most Cubans seem to regard Commander Pons' action about the way Americans might have felt after our 1776 revolution if John Paul Jones had jumped ship in London and announced that George Washington was a tool of Monarchist France.

Emotions are running high in Havana today.

Foreign News

How Ike Got That Whiff of Tear Gas

The Post and Times-Star's correspondent with President Eisenhower was among tear-gassed student demonstrators in Montevideo. His dispatch provides a significant insight into the incident.

BY HARRY TAYLOR, Scripps-Howard Staff Writer

MONTEVIDEO: About 75 students were standing grimly inside the law school of Montevideo University, behind iron gates and a barricade of benches, waiting to boo President Eisenhower.

Overhead fluttered their war-dog in 6-foot, hand-painted letters: "Imperialism, stay away."

Outside on the sidewalk behind a cordon of policemen with bayoneted rifles stood

another 75 students, boys and girls, evidently angry at both the police and students inside the building.



Taylor

Here—for the first time in Ike's 10,000-mile tour of Latin America—there might have been real trouble.

"They're all Communists inside there," proclaimed a student on the sidewalk. "Hooray for Ike."

"You're all fascists out there," came a voice from behind the barricade. "Down with Yankee imperialism. Hooray for Fidel Castro."

LATIN AMERICAN students enjoy politics about the way U. S. college sophomores go for football. Montevideo police had roused the university crowd to produce some sort of demonstration either in support of or against the president.

pleaved—some other supposed grievance. What about Guatemala?" shouted a husky, blue-shirted youth from behind the barricade.

"What about Hungary?" responded a girl in the sidewalk group. She explained: "They never talk about Hungary. They claim to represent all our students' federation, but they're only 75 in there out of 8500 in the university. The majority are here on the sidewalk."

"The majority are on vacation at the beach," corrected a medical student. "I just came to watch the cops shoot tear gas at those Commies inside."

THE ROW of policemen, now fitted with stubby shot-guns adapted for lobbing tear gas containers, eyed both groups of students nervously. News had just come of a riot at another branch of the university across town in which one student was shot in the leg. Everybody gazed down the crowd-lined avenue toward the approaching cheers and motorcycle sirens.

"I am anti-Communist and I favor Ike's visit," said one of the students. "I don't like the way the police are treating the



EISENHOWER WIPES TEARS FROM EYES ... after whiff of gas in Uruguay

tors? Why did Ike go visit Franco? Your country has 20,000 troops in Spain now. Why not march on Madrid and throw Franco out? Then you can Spain. And

said a student from inside the barred windows. "The United States would never permit the kind of treatment that is being given to the people of

steps announced. "Look that man riding with Ike. It's J. Edgar Hoover. He never goes any place without J. Edgar Hoover." (It was actually Miguel Paes Vilaro, a lofty Uruguayan dignitary.)

A policeman stepped forward and politely declared, "Excuse me. At this point I must shoot my tear gas gun."

He did, with a thwunk that sent the khaki canister clattering off the second-floor shutter of the law school, and falling back at our feet in a plume of asparagus green smoke. Everything went suddenly afog with tears.

Through the blur you could see an erect Ike flash by in his open car, diplomatically concentrating on the non-university side of the avenue where the mounted band was playing something that sounded like "Columbia, the Gem of the Ocean."

FARTHER DOWN the street, Ike himself got a whiff of the tear gas, wiped his hand across his face and sat down under the backseat bubbletop.

"Viva Fidel," sobbed a girl student, with mascara-stained tears.

Somewhere down the sidewalk the crowd surged toward the police cordon and the cops charged with the flat of their sabres, padding the people back. The cop closest to the president was a young man with a mustache and a friendly expression. He was wearing a dark uniform and a cap. He was looking towards the camera with a slight smile.

from inside the law school. Belatedly he hurled a "pro capitalism" after Ike. "You are all Communists," shouted an outside student.

THEN BOTH groups of students joined to shout insults at the police.

People began drifting home. Pretty soon there were no more police. No martyrs. No audience. No Yankee imperialism. Nothing but summer twilight, and distant cheers for Ike.



Warrant

JANUARY 31, 1960

'Robin Hood' Turns Beatnik

By HENRY TAYLOR

CARACAS — Leaders of key Latin American nations are beginning to see Fidel Castro less as a Cuban Robin Hood and more as a bombastic beatnik.

Reactions of presidents and foreign ministers interviewed during the past two weeks in Panama, Costa Rica, Guatemala, Nicaragua, Colombia and Venezuela range from puzzlement at Castro's antics to outright consternation.

These men would not want their names to be used in reporting their feelings about Castro but, here is a sampling of private appraisals by some of Latin America's top statesmen:

—"Castro is a tropical Peron with chumba beat."

—"I'm still convinced Castro's no Communist. He seems sincerely to love his people, but the trouble is in his mind that the Cuban people and Castro have become indistinguishable. He's a fallible human being who insists his revolution is infallible. The result is he has to blame somebody for his goof and naturally he chooses Uncle Sam."

—"CASTRO'S MOVEMENT can't be kept at boiling point forever. He has to stop wrecking and start building soon. Personally I haven't given up hope. Remember how wild Nasser behaved at the beginning, and now you have to admit he's doing good for Egypt — and apparently taming his Communists, too."

At a time when the trend against dictators is sweeping Latin America, many leaders fear the U. S. government — or Congress — may be lured into turning the cold shoulder on all progressive or revolutionary movements. They were therefore relieved at the patient tone of President Eisenhower's latest statement on Cuba.

"Don't forget the propaganda impact down here of big Uncle Sam using pressure tactics on a little guy," said the president of one Latin nation. "We dislike Communists here but the phrase 'economic imperialism' is something we abhor even more. Any blunt U. S. move which would look like intervention in Cuba would just unite Cubans and other Latins with them."



TAYLOR

ANOTHER NIGHTMARE is that Castro may be assassinated. He's stopped on so many toes by now, inside and outside Cuba, that it would be almost impossible to prove who was behind such an act. Since Castro disbanded Cuba's professional army, there would be no organized force to avert blood-letting which might stain the Caribbean from Miami to Trinidad.

Among masses in Latin America, Castro still seems the crowd-pleaser. In almost every university you find students who say, "What my own country needs is another Castro to sweep out the rotten mess."

Typical is Nicholas Danello, 25, a Panama medical student. He flew to Havana a year ago to help Cuban students celebrate Castro's victory. Since then he has been arrested four times for possessing firearms or otherwise threatening Panama's government. He's still a student and a popular one. Most non-Cubans aren't that violent in their admiration of Castro. But anti-beard disenchantment hasn't spread yet to the Latin man in the street.

Working quietly behind the scenes, certain Latin leaders such as able President Romulo Betancourt of Venezuela have been trying to give Castro fatherly advice about going slow. They've suggested he hold elections and hint he'd be wise to keep better control over Cuban Communists.

CASTRO HAS REBUTTED such suggestions. When ex-president Jose Figueres of Costa Rica, a respected liberal, went to Havana on such a mission Castro insulted him in public before a mass meeting.

Whenever Castro does bother to talk seriously with other Latin leaders he argues that Dominican Republic dictator Trujillo is raising an army to invade Cuba, therefore Castro needs united support of all Cubans, including Communists, to repel this threat. He also says the U. S. is the "bosom bedfellow of Trujillo."

What then do Latin leaders think the U. S. should do about Castro? Go slow — above all, don't blackjack him, they advise.

The End Near For Trujillo

By HENRY N. TAYLOR
Saltpetre-Howard Scott Writer

CIUDAD TRUJILLO, Dominican Republic, March 15—The old shark of the Caribbean, Generalissimo Rafael Leonidas Trujillo, is washed up.

The end may not come tomorrow, though some veteran observers here are predicting it will be a matter of weeks. Dictator Trujillo could defy the odds and hang on for several years.

But symptoms here suggest that his 30 years tyranny, plus rather recent gross errors, have at least pushed this man's regime past the point of no return.

There is a death-smell about this dictatorship.

Not on the surface, perhaps. Shops still cringe under giant signs proclaiming that "God is with Trujillo forever!" Newspapers pay their daily tribute of flattery. School children, dutifully quote from their textbooks that "El benefactor is the greatest man in history."



Taylor

Tactical Errors

BUT TRUJILLO HAS MADE at least three irretrievable tactical errors, long time observers here think. One was, as he grew older (63), to carelessly get out of touch with his people. The second was to let the economy deteriorate to a point where citizens find it no longer necessary or profitable to be dictated to. The third and most stupid was to stomp on the toes of the Roman Catholic Church.

The story behind this blunder began last December when police arrested a Catholic seminary student on charges of constructing a bomb. Bishops protested, but the seminarian stayed behind bars.

Then in January, tipped off about an assassination plot hatching among middle-class Dominicans, Trujillo threw an estimated 1600 in jail including members of prominent families who round themselves up, snuffed, and, to other socialites of the

Big Purges

OF COURSE LARGE-SCALE police activity is nothing new here. In the three bloody decades of the Trujillo regime, it has "eliminated" an estimated 15,000 Dominicans, neutral statisticians calculate.

But all along Trujillo also had been making friends, following an old political maxim: "You can take one helluva lot if you're careful to give enough of it back to the right people."

But here suddenly were hundreds of these "right people" in jail. And here was the Church primed to teach the dictator a lesson. Promptly from hundreds of pulpits came a bombshell in the form of a pastoral letter telling Trujillo in effect to free these political prisoners.

Four Sundays later with specific support from the Pope himself came another blast: "In this holy period of Lent," said every priest in Trujillo-land, "we are reminded to be always prepared for the last moment of life."

No Dismay

TRUJILLO HAS SHOWN no outward dismay at this warning. He's a veteran plot-smasher. He has said: "When you read in the newspapers that I am dead, then you'll know I have retired."

Some diplomats here think Trujillo still could save himself by beginning an orderly transition to democracy, retiring, and disbanding his secret police, letting exiles return and permitting free elections. But few think this stubborn old tyrant will give up so easily.

For one thing, in the 30 years of gunpoint adulation, which has produced some 2000 Trujillo statues on this small half-island, he apparently has come to believe that he is loved.

Dominicans under Trujillo have lived in a gilded cage. He took over this hurricane-flattened country, modernized the sugar, cocoa and coffee industries, increased exports 800 percent in 30 years—and garnered an estimated \$400 million for himself and 900 relatives.

Gilt Peeling

BUT NOW THE GILT HAS begun to peel away from the cage, making the iron bars embarrassingly visible. Sugar income is down. The gala 1956 "Fair of the Free World" here flopped. In the past 12 months the dictator has squandered \$60 million on arms. The momentum of failure already had begun to pick up before the fight with the Church started.

What happens next? The current plot has been pretty well foiled. But observers think the next one may not be. A sort of race seems to be going on between Trujillo's moderate middle-class enemies and the leftists supported by Cuba's Fidel Castro to see who can supplant the regime.

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Pittsburgh

NO HURRY

Latins Still Delay Till 'Manana'

By HENRY N. TAYLOR
Scripps-Howard Staff Writer

QUITO, Ecuador—"Why worry, why hurry?" said the friendly telephone voice from the airport here. "Guayaquil will still be there manana."

To the North American traveler, who has what he thinks is urgent business Mr. Taylor in the nearby seaport of Guayaquil, this paralyzing word "manana"—tomorrow—becomes a Latin-American trademark.

Along with those other catch-words, "Siesta," "sunbaked," and "underdeveloped," this word manana invokes the lazy preconception of a slow-motion continent, where nothing can happen quickly except a revolution.

It's an unfair pre-conception. In a hundred places and a dozen ways, South America is outracing itself to build its manana today.

In Brazil whole cities sprout overnight from the wilderness. At the southern tip of Peru engineers have bulldozed away more earth than there is on Manhattan Island to bare an underground mountain of copper.

But when it comes to such daily drudgeries as telephones and taxis, office appointments and airplanes, the old "manana" concept isn't dead yet.



Sense of Values

punctuality. It's more positive, a regional sense of values, based on sensible awareness that, in the tropics, haste often really does make waste.

In Brazil, they will say: "Momentinho," Portuguese for "just a minute, please." (In Mexico the phrase is "momentito," accompanied by a pinching together of thumb and forefinger, to demonstrate how deliciously brief the delay will be.) In either place, of course, momentito can turn out to mean next Thursday.

Such checks on a Yankee traveler's hell-bent haste aren't delivered in the spirit of: "Keep your shirt on, Gringo." They represent an effort at kindness, a plea in favor of reality.

The collision of concepts—North versus South American—reached hilarious extremes during the visit of President Eisenhower down this way.

Hagerty Punctual

Day after day Field Marshal James Hagerty, maneuvering his contingent of correspondents at jet-age pace—departing on the dot at 6:36 a. m., arriving a half continent away at 9:23 exact—deposited his punctual pressmen at airports where no buses awaited, and at boat landings empty except for seagulls.

Yet somehow Latin-American hosts managed to get newspapermen on time to the right spot to see President Eisenhower's plane come along later. There were plenty of momentitos and quite a few mananas. But we got there.

There's a temptation to over-emphasize the frustrations, like that phone-call from the Quito airport, saying the 8 a. m. plane had departed at 7 a. m. without you. Or, rather, yesterday's 8 a. m. plane had departed at 7 a. m. today, so naturally today's 8 a. m. plane wouldn't be leaving until tomorrow.

But the funny thing is that Guayaquil WAS still there manana, and that extra trapped 23 hours in Quito turned out to be one of the most interesting days of a three-month trip.

Houston

Venezuela's Betancourt

How He Keeps Calm Hold on Throttle of Rich Latin Nation

By HENRY K. TAYLOR
Scripture-Howard Staff Writer

CARACAS, Feb. 8.—Venezuela offers a hopeful, even exciting, alternative to Fidel Castro's diaphanous approach to giving citizens a share in their nation's future.

A reputation here, too, about two years ago left those in the streets, people participating their freedom, and a better discipline between and outside. But there the similarity ends between archbishop Castro and Venezuela's President Rómulo Betancourt, who in 58, under a pipe, reads books, and looks, with his plump physique and hair-cin-glass, anything but like the flamboyant Fidel.

-Said Betancourt in an interview:

"Progress must come, and come quickly, in our time. But there are two ways of doing things. One is evolution, with science and legality. The other is revolution, which means explosions. We have had more than enough explosions here."

Betancourt resisted the temptation of granting his people Paradise overnight. After 14 months in office, he's just begun to clear the land, and has to be in the impoverished areas far from the oil-rich boom city. Some peasants get impatient. But Betancourt insisted on letting Congress debate his land reform law step by step, as it would really be a workable project.

No Crazy Ideas for Him

Early in the game, he called a cabinet meeting and said, in effect:

"I know some Venezuelans want to solve all our problems by nationalizing foreign wealth. There's a crazy idea. Remember where our markets are, and our friends. Are they in Russia or Red China? No. They are in the United States."

Curious not to slaughter the golden-egg-laying goose has been a Betancourt watchword. Oil taxes have been raised to give Venezuela a 65-35 share of profits here, and a small national oil company is being formed to drill.

But Betancourt says:

"We have no thought of expropriating or disturbing existing contracts abroad. That would be foolish. Sure, it would be fine to the mass media. It would also be fine if girls swim naked at the beach, instead of wearing bikinis. But we must keep our eye upon the position."

Has 14 Per Cent of Oil

The United States has an economic stake in whatever happens in Venezuela, almost \$3 billion in long-term investments, more U. S. money than in any foreign country except Canada.

Fourteen per cent of the world's known oil is here, which free-spending dictator Marcos Peres Jimenez was overthrown many businessmen feared all this would go down the drain.

Betancourt, briefly president once before, in 1954-55, had shown an appetite for nationalization, they said. Besides, as a student, he'd been a Communist.

But Betancourt fooled his critics. Flying home from a 10-year exile in New York, he called together leaders of his own party, other politicians, and the military junta. He proposed a gentleman's agreement for early elections, with all factions promising to support the winner, forswearing the normal practice of arranging another revolution to annul the balloting.

For Lawful, Slow Progress

To the surprise of many here, this deal worked. Betancourt never has become a mob-supported personality. He makes few public speeches, though he can be tough in words as well as terms.

When his land reform gets in full gear, it will be a competent judge who expropriates acres, not the handiest second lieutenant. Payment will be in cash, up to \$12,000, and not the Cuban variety of bonds worth little more than cigar coupons.

Many uncomfortable things still will happen to Venezuela. Dictator Peres left a \$1.4 billion debt which Venezuela cannot finance here and foreign businessmen aren't entirely satisfied. Though Venezuela is the richest Latin American country, Communist, with seven members in Congress, could push nationalization.

But Venezuela has a government which can't be accused of leaping before it looks—or of the opposite technique, namely refusing to move forward at all.

FEB 11, 1960

New York

Peru Assails Arms Purchases As She Buys a Fancy Cruiser

By HENRY N. TAYLOR.

LIMA, Peru, Feb. 11.—Close hand steel, lazily at anchor in Lima's harbor, symbolizes a Latin American paradox.

Namely that a dozen nations down here, fighting for economic stability, have spent \$2.5 billion since World War II for war-weary weaponry which could be of little use in a major future war.



Henry N. Taylor

Peru's freshest pride is the somewhat matronly cruiser, Admiral Grau, delivered this month from Britain, whose navy deemed her overage, undergunned, and, after 18 salty years, deservedly dispensable. What's more, Peru's President Manuel Prado, calling for a continentwide treaty to end senseless arms buying, proclaimed only two months ago: "Instead of acquiring warlike elements of destruction, the governments of Latin America should buy instruments to improve health and science."

Don Pedro Beltran, Peru's economy-minded prime minister, was in Washington trying to negotiate development loans when the news of the Grau's purchase came out, much to his embarrassment. It had been negotiated by his predecessors, and the military hadn't seen fit to tell him about it, apparently.

Yet, when the Admiral Grau creaked into port here, her elderly shanks fresh-painted, tens of thousands of deliciously joyful Peruvians thronged the wharf in welcome. And there was President Prado himself on the bridge, declaring: "This is a glorious day in the history of Peru."

Such appetite for arms seems an almost unbreakable habit in Latin America.

Argentina has just negotiated for \$700,000 worth of F-86 Sabrejets. Brazil has bought a \$36-million aircraft carrier from England, although there is no Brazilian navy air arm to put aboard her. The tropical Guatemala splurged on a Swedish gunboat, which arrived complete with reinforced bow for ice-breaking, but no air conditioning. Ecuador and Peru,

still riled over their 1940 vest-pocket war, are having a costly competition in jet warplanes.

Pentagon planners privately see little hemisphere-defense justification for such goings-on.

A few Latin American forces have earned high capability marks, professional soldiers say. Brazil's paratroops are first class. Colombia's infantrymen, the only Latin American troops contributed to Korea, fought well there. Chilean fighter pilots are judged competent.

But United States planners don't see how even these adept units could be brought to bear in modern war. So U.S. military aid is now concentrating mostly on lending destroyers, hoping Latin navies can help keep track of Soviet subs.

A few signs of self-restraint exist. Mexico spends only 6 percent of its national budget on defense. The theory expressed by one Mexican

statesman is that: "We're too small to fight our northern neighbor, Uncle Sam, and we're too big to fight our southern neighbor, Guatemala, so why go broke keeping up appearances, when we need schools and roads?"

Tiny Costa Rica, by law, has abolished its army and now gets along with 800 policemen. President Mario Echandi recently startled the United States by selling 1700 old rifles in exchange for eight tractors, a historic reverse lend-lease.

Disarmament will be a major topic when President Eisenhower visits Latin America. "Ruinous competition," is what President Jorge Alessandri of Chile has called the arms race. Yet Chile herself has two flashy new destroyers on order in England. And it was Chilean naval superiority which seems to have encouraged rival Peru to spend \$2.5 million on the comfortable old Admiral Grau.

Meets New Uruguay President

Ike Warned: Must Buy in Latin America Or Communists Gain

Dawson

President Eisenhower today meets the fourth and last head of state on his South American trip. Again, The Houston Press' roving newsmen with an advance interview throws light on the subjects likely to be discussed.—THE EDITOR.

By HENRY N. TAYLOR
Scripps-Howard Staff Writer

MONTEVIDEO, Uruguay, March 2.—"If the United States doesn't buy more raw materials from Latin America, the Communists will use trade here as a spearhead for infiltration," warned Benito Nardone, who became president of Uruguay only yesterday and is welcoming President Eisenhower here today.

In an exclusive interview, Nardone said he would explain to Ike how U. S. tariffs on wool already have forced Uruguay to sell substantial quantities behind the iron curtain.

"We have sheep here, but no oil," said Nardone. "We would prefer to buy United States oil, but already the gasoline in those cars outside this window has come from Russia." Our meeting was in the president's office of Government House, where Mr. Eisenhower will be entertained.

Helps Defend Democracy

Nardone says he understands fully that the United States also produces wool and that it is not likely we will buy much from abroad. "But the more wool we can sell to you, the less we are at the mercy of the Soviet Union as a customer. In other words, buying Uruguayan wool helps defend democracy here."

Democracy, in Uruguay, is no idle concept. Though it is flat, it's called the Switzerland of South America, because this North Dakota-sized pastureland has had a unique history of political patience and stability.

Walled 23 Years

Nardone's party, the Blancos, had been out of power for 23 years when they won the last election in 1958. All those years, through 23 elections, no one even dreamed of revolution to hurry things. The Blancos just trusted the voters eventually to welcome a change.

Nardone himself is president for just one year, as chairman of a federal council of nine which really runs Uruguay. His party has five of the nine seats, and the top-polling four councilors get one year apiece as president before the next election.

Ex-Football Player

President Nardone is a stocky ex-football player, now in his mid-50's. His career has mostly been in rural politics, and as manager of a sheep ranch. His regime promised a better break for farmers.

Nicknamed "Chicotaso," which means "whiplash," Nardone won fame in Uruguay for his twice-a-day radio speeches accusing the opposition party of pampering

city consumers at the expense of farmers.

"I don't know the United States well, but I want President Eisenhower to know how aware we are of the exertions your country is making to defend this hemisphere. Our gratitude is great, and we could not expect more. In fact, we in Latin America have not always done our full share."

Last year brought record floods to Uruguay, a disastrous blow to an economy already staggering under the twin loads of sagging foreign markets and an overambitious welfare program. The score today: A 40 per cent increase in living costs at home and a 1959 foreign trade deficit of more than \$50 million.

Nardone still broadcasts twice a day, (though not at Fidel Castro's length or intensity). And now that he's in power, no longer criticized from the outside, he's had a tougher time keeping his whiplash cracking.

Slings Communists

When it cracks, Uruguay's Communists often get stung. "They stir up labor trouble, infiltrate student bodies, all with the idea to confuse and exploit our problems. They won't succeed, if our economy can remain stable."

Uruguayans are nowhere near hungry yet, despite cost-of-living complaints. The average citizen here eats 262 pounds of beef alone every year, while the average United States resident puts away only 130 pounds of all kinds of meats. But Nardone remains worried about long-term trade trends in this hemisphere.

Cites Cuba

"Look at Cuba," he said. "There's no logic in their selling all that sugar to Russia. They have excellent markets in their own hemisphere. But impulses other than logic seem to push people."

"All American countries must concentrate on defending the interests of our own hemisphere. And this means the United States must do its part in exchanging more trade and ideas and knowledge with us too."

RCH 24, 1960

New York

Castro May Be Left Holding The Bagasse in Grab Policy

By HENRY N. TAYLOR

HAVANA, March 24.—The bagasse business is bad this season in Cuba, and this small industry tells a big story about why Fidel Castro's relations with the United States are so frightful.



Henry N. Taylor

Bagasse is the unwanted fiber that's left over after the Cubans have squeezed raw sugar out of the sugar cane and sold most of it at twice the world market price to Uncle Sam. You can't put bagasse in your coffee or sprinkle it on your cereals. Until a few years ago the stuff was just swept out in the streets.

Then along came an American businessman with \$800,000 and a formula for making bagasse fiber into paper. All that was needed was a steady supply of special chemicals from the United States.

The American built a factory, gave jobs to dozens of Cubans, and soon the whole island was writing on bagasse bond, blowing noses on tissue bagasse and finding other uses for it.

Then came Castro, with a ruling that firms in Cuba needed special permission to export dollars for raw materials abroad. "Buy Cuban" became the watchword. The American found himself cut off from the chemicals which took the scratch out of bagasse. This was about the end of the bagasse business.

Multiplied a hundredfold, this sort of economic dismantlement is going on all over Cuba.

Economists feel some of it is healthy. Cuba long has been too dependent on United States imports, including canned vegetables, which easily can be grown on this island. But at the scale it's going on now, Cuba's anti-foreign campaign seems aimed at killing all the golden-egg-laying geese.

Take the plight of the Esso Oil Co. with a \$75 million refinery and distribution investment in Cuba. Crude oil comes here from Venezuela, and must be paid for in dollars. It's refined, then sold locally for Cuban pesos. But since last August, Esso hasn't been able to get a single dollar out to buy crude oil.

much less transfer profits stateside.

Persistent rumors say Castro is trying to force Esso to close its refinery, then take over and operate it with crude oil from Russia brought in exchange for sugar.

A tangle of laws, decrees, orders passed and countermanded, and mere unfounded rumors makes it almost impossible to determine just how much American property has been seized. But diplomats say about a third of the estimated \$300 million total investment either is held or under threat.

Agriculture is the biggest potential target. There are approximately six million Americans owned about two million of them, including many of the richest.

The State Department took the position that the United States couldn't deny Cuba's right to expropriate such property, so long as Cuba paid for it. Cuba is offering

20-year government bonds at 4.5 percent interest. Most Americans, aware that the Cuban government ever lasted that long, want cash now.

What the future holds can be judged from the only court decision so far on a contested evaluation of a taken-over estate: 2295 acres of the Cuban American Sugar Co. at Pinar del Rio. The company engineer asked for \$196,815. The government said \$24,481, and the judge ruled the sum "fair and equitable."

Where all this will stop, no one knows. Freeport Nickel Co. seems about ready to shut down its \$80 million plant at Moa Bay even before it has begun operations. Its intricate innards are full of sulphuric acid, which would reduce the plant to scrap if left idle a single month.

Cuba in that case would own a patriotism-antistatizing 100 percent of nothing. And Castro would be left holding the bagasse.