MEMORANDUM FOR: The Under Secretary of State

SUBJECT: Proposal by Ambassador Willauer for Action Against Communism in Latin America

1. We have examined the letter of 3 June 1956 from Ambassador Willauer which you sent to me with your memorandum of 12 June 1958.

2. Ambassador Willauer has a good point when he recommends that our Latin American friends be urged to adopt (anti-Communist) legislation which would identify and control material and financial support received from abroad by local Communists and their sympathizers.

3. As you are well aware, inducing Latin American governments to adopt such legislation is an accepted policy objective which is spelled out in considerable detail in the OCB Outline Plan of Operations for Latin America. It is my understanding that some success has been achieved along these lines; at least several governments have asked for guidance based on U. S. legislative experiences in this field. I would imagine that the Ambassador is empowered to urge such action on the Costa Ricans either through normal diplomatic channels, or through the special machinery set up to implement the Caracas Agreement.

4. One note of caution is in order in connection with his suggestion: legislation for the above purpose should be clearly aimed at subversive Communist activity. Any broad laws which could be applied as well to any political group or activity could make it difficult for anti-Communist individuals or front groups to operate if the laws were strictly enforced. In brief, investigation of all political activity under such general laws could lead to embarrassment of friends and foes alike.

5. Concerning the interchange of anti-Communist information, presumably to enable local governments to identify persons or organizations receiving support from abroad in violation of the proposed
legislation, it would be hazardous to provide substantially more of such information than we now do without careful screening to protect sensitive sources. As you know, some Latin American governments are penetrated by anti-U.S. and pro-Communist individuals who could not be trusted to handle such information securely and discreetly. Other governments are comprised of politically naive persons who are equally unreliable even though they might act in good faith in connection with information provided by us. Few if any of the Latin American governments employ or understand the maximum security measures which we utilize, therefore, we could not risk exposure of our assets by indiscriminately channeling large quantities of information to them.

6. You may wish to pass these observations along to the Ambassador.

ALLEN W. DULLES
Director