

**WEEKLY
LETTER
COMMENTARY**

A SOUTH-AMERICAN
REVIEW FOR
ECONOMIC AFFAIRS

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From the Editor's desk:

TAKEN AS RED

A CRAZY RULER AND A CROOKED LINE

For quite a time now Fidel Castro has in one way or another provided the chief topic for my editorials — so much so, in fact that some of my readers reproach me for being too aggressive towards him. I have been doing a little soul-searching, and I think I am entitled, as having been the first journalist (in Uruguay at least) to see through the Cuban Premier's mendacious bluff — I wrote articles warning against Castro some weeks before he came to power and against too much rejoicing when he did so, — I think I am entitled to reproach myself, but in another sense: not for being too aggressive but for not being nearly vehement enough. In any case, it makes little practical difference whether one writes much or little about this bearded braggadocio: he can neither be whitewashed nor blackened, for he is an unmitigated rascal, a juvenile delinquent with a grudge against society and far too much power in his incompetent hands.

The real point is this: whether Castro is communist or not (and that rather depends upon what one means by being a communist; after all, I never said he was a member of any communist party, for it would no doubt be beneath his inflated dignity to pay a subscription and ostensibly toe a particular party line), what really matters is that he plays the communists' game. As a matter of fact, I cannot recall a single case of a communist in a prominent official position in a non-communist country who ever did admit his allegiance to the communist cause. The explanation is simple: if he were to do so he would be obliged to give up his post: he would be doing a disservice to the very cause he was trying to promote. On the other hand, I have known of dozens of cases of allegedly non-communist Minister and Prime Minister who in reality have been under the direct orders of the Kremlin. The Prime Minister of the Soviet Zone of Germany is officially a socialist, for example, but he is every bit as the lowest type of communist traitor, such as his lieutenant Ulbricht.

To all intents and purposes Castro is a communist, whether he admits it or not, and no matter what the U.S. Secretary of State may have to say about it, for after all Mr. Herter is a diplomatic official who is precluded by the niceties of convention from calling a spade a spade: I am not restricted by any such inhibitions and will say quite flatly that not only is Castro a communist, he is also a lunatic, a hysterical paranoiac, an exhibitionist, a neurasthenic, a Caesaromaniac and a cissy, and I dare say that quite a lot unpleasant descriptions could be applied to him is all the evidence were available, though the reasons I have for saying even the relatively little I have said is damaging and conclusive enough.

Not only is Castro a communist *de facto*, but many of the officials with whom he has surrounded himself are communists and instruments of international communism too. President Dorticos has stood as a candidate for the Communist Party in municipal elections in Havana; Raúl Castro, Fidel's weedy little brother and incongruous chief of Cuba's armed forces, has been indoctrinated in Moscow; "Che" Guevara, ridiculously enough head of Cuba's State Bank, was a member of the Argentine communist movement; and so on. Now of course these facts are not of transcendental importance in themselves: Cuba is not a world power and these little squirts are nincompoops and ne'er-do-wells — but the

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facts are important relatively, that is because of their connexion with wider and more sinister factors. What is taking place in Cuba today — the ruthless programme of agrarian reform, expropriation of foreign enterprises and even of Cuban ones too, suppression of non-government radio and newspapers — are not signs that Cuba is in the grip of a national revolution but are the surest indications that the revolution follows a familiar international pattern. No soothsayer is needed to interpret these portents: they are plain for all to see who have eyes in their heads are possessed of a modicum of common sense.

The Soviet strategists are aware that anything in the nature of an upheaval in the Caribbean area would inevitably cause a protective reaction of democratic forces there. In recognising that their actions must provoke it, they are, ethically speaking, willing it to happen. Indeed nothing would please them more or serve their purpose better than for Washington, finding the situation no longer tolerable, to decide on intervention. Khrushchev has had brought home to him on dozens of occasions during his peregrinations around the world, by the masses in the streets and the newspapermen at his press conferences, the bitter reality of world resentment on the question of Hungary. Mass murder of Hungarian patriots, despite all the balderdash of his 'Big Brother' bluff, hangs like a millstone round his neck. He knows that the faith of millions in the Soviet Union as the defender of the dispossessed proletariat against the steamroller of capitalist imperialists was badly shaken by the Russian blood bath in Budapest. If only he could get even somehow! If only the North Americans could be goaded into taking some form of punitive action in tiny Cuba, so that that action could be puffed up by the stinking breath of evil propaganda to look something like a comparable deed of treachery! And what an invaluable help it would be to win over the waverers who hover on the brink known as the Third Position!

The very patience and long-suffering of the U.S.A. in the teeth of some of the most virulent and uncalled for insults ever hurled by one sovereign nation at another in time of peace are a serious handicap to the Russian plotters. On the whole it may be wiser to stand by and let Castro be unmasked and overthrown by his own former admirers. But what about the security risk? Cuba is an island and it is nearer to the United States than to the other Spanish-speaking parts of the American continent. How long can the U.S.A. go on tolerating a state of things that flings the door wide open to Russian and Red Chinese penetration into the continent so manifestly? And if it dare not, what is it to do? I cannot answer that question. Reduced to its simplest terms, the dilemma of the U.S.A. is this: it can neither afford to allow the menace of communism to go on gnawing at the Americas' vitals, nor intervene to prevent it.

Meanwhile, something more than deplorable is going on in Cuba. The Government is again threatening to use the death penalty against anti-revolutionaries, if reports are true. This is exactly what occurred in Russia after Lenin's revolution. And anti-revolutionaries, of course, are anybody and everybody who disagree in word, thought or deed with what the Government is doing. Yet Cuba is a signatory still to the United Nations' Charter of Human Rights!

But such bloody blunders are all part of the preparation for massive retaliation which is surely building up to burst upon and overthrow the ignorant tyrant. The genuinely anti-Batista Cuban masses, who may once have welcomed Castro as their friend and saviour, and are now enduring a purgatory of retribution for their error, will find ways and means to emerge at last purged and more discerning. And if they cannot, they probably deserve their fate. Goethe said more than a century ago that freedom is something which men must struggle to earn day by day as surely as their daily bread. Let us hope that the eyes of the rest of the Americas will be opened to what Cuba's agony really means!

Alphonse May



ANTI-YANKEEISM AND USIS INCOMPETENCE

♦ The withdrawal by the United States Embassy in Montevideo of its invitation to a Sr. Collazo, Member of Parliament, after Sr. Collazo had denied the U.S. President the customary Uruguayan parliamentary hospitality, has elicited a number of silly comments in some leftist and pro-communist papers in the country: the U.S.A. has been accused of being undemocratic and intolerant. It appears that the communists and their fellow-travellers must think that U.S. representatives abroad ought to be incurable masochists, since they should apparently go on flattering and trying to please those who treat them with barbarous incivility or hurl insults and abuses at them. It is really incomprehensible (probably the USIS Chief in Montevideo is the only person who may know of some intelligible explanation) that some of these people who reveal their prejudices against the United States in such an uncivilised manner are afterwards angered if those whom they insult and belittle do not reply by making a fuss of them: it seems that they feel they should be free to say and do whatever they wish against the U.S.A. and still be able to count not only on the latter's indulgence but on its unstinted generosity and hos-

(Turn to page 3)

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(From page 2)

pitality. To such an extent had this absurd position become accepted that the saying was circulating in journalistic quarters that if a pressman wanted to make a free trip to the United States the surest way of earning an invitation was to start an anti-Yankee campaign... for no sooner do the first of such articles appear in print than the USIS begins to take a lively interest in the journalist and promptly arranges for the person concerned to be sent an invitation to visit the States. The USIS attitude is that there is little point in inviting writers who are already pro-American, as that would be just a waste of time and money: it is preaching to the converted. On the other hand, the USIS Chief, who has apparently fallen completely under the neurotic influence of that notorious and questionable employee of his department here about whom we have written in these columns on more than one previous occasions (See in par-

ticular our lengthy article "Pro-Soviet Elements in Montevideo's USIS", WLC/68-69 - Xmas N° 1959, p.14) and about whom we shall be having more to say shortly, and is now convinced that a communist or a fellow-traveller can be purged of the original sin of his disbelief and led into the paths of democratic righteousness simply by being taken on a pilgrimage to the United States, and that such miracles of conversion will amply justify the high salaries which USIS officials receive, heaven knows what for. But no man is in fact ever transformed from a political imbecile into a reasonable thinking citizen by dazzling him with the impressiveness of the American way of life, and apart from that the provision of a free return passage and all expenses to politically hostile invitees is an elementary breach of U.S. visa regulations. There are other and deeper issues involved in political proselytizing that are seemingly outside the ken and beyond

the capacity of USIS officers to grasp. It is a measure of their shocking mediocrity that they select the path of least resistance, not convincing but entertaining (at the American taxpayers' expense), meeting spiteful propaganda with apologies and countering abuse with adulation.

No wonder Senator Smathers, who incidentally is numbered among the friends of this paper, has called for a thorough investigation of USIS practices in Latin America and is demanding that their tax-spending spree be superseded by a missionary spirit.



WOOL SMUGGLING

♦ The comparatively high prices which wool is fetching in Brazil these days have encouraged some unprincipled wool-producing enterprises in Uruguay to smuggle their produce across the border. The selling price of wool in this country at the moment is about 75 pesos per ten kilograms, and the same quantity sells in Brazil for from 110 to 115 pesos, without any particular commercial complications, and the transactions are further facilitated by the fact that the Brazilians are not too difficult to satisfy in regard to quality. This smuggling of wool out of this country owing to the unattractive prices offered for it here as a consequence of a fall in foreign demand is more than ever unfortunate just now when the country is in desperate need of foreign currency and bearing in mind that wool is the staple source of the nation's export earnings.

The Government has been discussing the problem and many are the responsible voices that argue the case as to why and how the smuggling must be stopped at once. We frankly do not believe in the possibility of adopting effective punitive measures against such contraband activities, as we have often said in this Commentary before, because of the extensive stretches of unguarded borderland between this country and its big neighbours and also because of the corruptibility of those entrusted with the task of frontier control. There is a social and human problem involved here,

as well as one of ethics and national economics: the frontier guards, as one of them has expressed it quite succinctly, "are much better paid for keeping their eyes closed for a few minutes than for keeping them open for months on end".

As an illustration to justify our scepticism (and nothing worth mentioning has been done yet which challenges our point of view unanswerably) we would

remind our readers that at the time when many categories of imported goods were being brought into the country at artificially low prices, thanks to heavy government subsidies, they were in countless cases promptly smuggled over the country's borders and sold at normal prices, yielding by this means a very handsome margin of profit to the racketeers and at the same time depriving the country of

enormous currency balance of deficit of dollars.

The B. Uruguay still: the is at the tops and sufficient to last 10 months, w



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summer season in the northern hemisphere will by then be about to begin. At the same time, communist purchasers have shown reluctance to acquire wool from Uruguay this season in view of their ever-growing trading deficit with this country, since Uruguay sells them wool and other produce but does not accept the goods offered in exchange because it does not need them. The only produce which would be at all acceptable is pet-

roleum, and this the Uruguayan Government is reluctant to buy because of the heavy transportation costs, apart from the continual political danger which trading with communist countries potentially represents. Besides, Uruguay will be less and less dependent upon oil from overseas as soon as the scheme of bringing oil by pipeline from Argentina, now under active consideration, becomes a reality.

Meanwhile, some exporters,

believing that the dollar will rise, are deliberately withholding their wool stocks in the hope that when the dollar does rise they will be able to secure more pesos. At present the premium which the wool exporter receives is approximately 50% of the foreign currency income. Thus, if they export now, when the dollar stands at roughly 11.50, they will receive about 5.75 pesos for each dollar's worth of wool sold, whereas if the dollar rises to, say 15 pesos, as they hope it will, they will get 7.50 pesos for each export dollar. On the other hand, if the price of wool falls on the world market and the dollar rises, one factor will offset the other. Therefore they foresee that they have nothing to lose except in the unlikely event of the dollar remaining steady on the country's foreign exchange market while the price of wool drops on the world market. At present, the price of wool on the world market is showing a tendency to increase by from 2.5% to 4%.

As nearly 60% of the country's available yearly wool output has so far not been placed, the Government is considering the introduction of some measures which would facilitate the disposal of the unsold wool. One suggestion that was made in the National Council of Government was the offer of more liberal credits to would-be foreign purchasers, especially to those who may be called traditional customers.

A trade mission from Eastern Germany which recently visited Uruguay suggested the exchange of agricultural machinery for Uruguayan wool. The three-man delegation returned to East Berlin with the promise that their offer would be carefully studied.

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Letters to the Editor

NOTE: The Editor regrets being unable to print letters from correspondents who write to him regularly, but considers it more in the public interest to print a varied cross-section of letters from time to time.

Letters which are anonymous, or give only some obscure clue as to the writer's identity, irrespective of the writers' tendency, will not be published, in accordance with traditional journalistic ethics. Correspondence from persons resident in Uruguay is first checked to ascertain that names (or at least addresses) are not false, whether intended for publication or not, in order to avoid unpleasant repercussions, such as has lately occurred in connexion with the daily newspaper "El País", which in good faith published a letter which turned out to be a fake. Of course, letters which are sent from abroad cannot be checked in the same way, so that the Editor is bound to rely upon his intuition, for what it may be worth.

Dear Sir:

...Concerning your leading article "WRITING ON THE WALL", I completely disagree with what Mr. Weingartner of Sao Paulo said in accusing you of anti-Semitism... All you did, as far as I am aware, was point out some of the possibilities which the Israeli Government will have to face in the near future...

Yours, etc.,

R. Mayer, Montevideo

Dear Sir:

My admiration for you and for your "Weekly Commentary" should not be thought to be any less sincere if I take you to task over your exaggerated attitude to the USIS. I cannot know, of course, all the facts which may be in your possession or the reasons you have for your attacks but I think you go too far when you suggest that the USIS serves no useful purpose. I myself believe they do a lot of valuable work, for instance in maintaining a delightful library (the Artigas-Washington Library is still a delightful library even if its Director was appointed "for some obscure reason" and even though it bans your "Weekly Commentary"), and I also find the well-produced monthly magazine of

the USIS interesting and useful...

You must be fair, you know, and give credit where credit is due.. There are always two sides to be taken into consideration.

T. P., Unión, Montevideo
(Name and address given and verified).

Editor's Note: I believe I demonstrate my fairness by publishing letters with which I do not agree.

A. M.

Dear Sir:

... your publication could not exist in Cuba...

Yours etc.,

Juan Carbajal, Havana
Editor's Notes Nothing so true and frank would want to! A.M.

Dear Sir:

I very much enjoyed your article on B.O.A.C., because it explained a problem for me which I had not understood before. My congratulations to your correspondent.

Yours etc.,

E.K., 25 de Mayo 738
Buenos Aires.

Dear Sir:

The editorial "THEY LIKE IKE" is perfectly correct. Although some students wrote a

stupid letter to the President my former impression that Mr. Eisenhower was not liked in my country was proved wrong. Indeed we do like Ike, as your title said, never mind what the communists may shout...

Luis Calderón
Santiago de Chile

Dear Mr. Max:

In connection with the story entitled "Rake's Progress" (WLC Nos. 79 and 80) I wish to thank you for printing part of my message clearing up some of the facts. However, you did not mention two additional facts that I believe are relevant to the case.

1. — Holguin was not employed by me; he was simply a free-lance (collaborator, who wrote only one story for the SE, about a year ago, on the subject of the girl's voice that gives the hour when you dial 6 on the phone. .

2. — Shortly afterwards, after becoming persuaded that his political thinking was not in agreement with the position of "El Día" I told him that no more collaborations would be considered.

Needless to say, I share my newspaper's antitotalitarian standing and for this reason, I must ask you to publish this, in order to keep the record straight.

Sincerely yours,

HUGO ROCHA

Dear Mr. Max:

I see that the copy I have before me of your weekly news letter is N° 78. When you first started I did not believe you would get beyond N° 3! I envy
(Follows on page 7)

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(From page 6)

you your formidable perseverance and would be the first to admit you well deserve your outstanding success and the many friends you must have won in the twenty months your paper has been running already.

I imagine you must do quite well financially, too, if I may judge from the ads you have and your extensive readership scattered throughout the world...

The Commentary has proved very useful to me and to my friends, many of whom send their copies abroad to friends or their head offices, which saves them the effort of writing long newsy letters and reports... Your paper is a real encyclopaedia on Uruguayan affairs and an indispensable means of interpreting this country and its complicated political structure to us foreigners...

Cordially yours,

B. D., Montevideo

B. H's NEW POLICY

◆ The new mortgage policy of the State Mortgage Bank (*Banco Hipotecario del Estado*) will be directed chiefly to rural production, the Bank's present Director, the Ambassador designate to Brazil, explained recently. This

changed orientation, which is inspired by certain social and political considerations, will no doubt have the effect of providing a considerable stimulus to the various classes of rural landowners while, on the other hand, handicapping the building industry in town. Hitherto the generous and easy-term loans granted by the Bank have chiefly been directed to financing the building of blocks of apartments in the capital, and this policy, it appears, is to be drastically changed.

The new situation, if not remedied by the infusion of private credits, may lead to serious problems in the building industry, including widespread unemployment, and in any case is likely still further to increase costs, and therefore prices, of housing units.

GENERAL MOTORS: NEW INVESTMENT

◆ GENERAL MOTORS have decided to invest a further sum of twenty million dollars in their Argentine enterprise, for the purpose of enlarging and extending their works there. It seems that no objection will be raised by the Argentine Government against the North American firm's decision.

LOAN FOR SUDAMTEX

◆ The Uruguayan branch of *United Merchants and Manufacturers Inc.* (known in this country under the name of *Sudamtex del Uruguay*) is to receive a grant of half a million dollars, which will be fully repaid by 1964. The credit will be used to promote production and distribution of cotton fabrics.

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