



# The FBI in Latin America

RADICAL PERSPECTIVES:

A RADICAL HISTORY REVIEW BOOK SERIES

*Series editors: Daniel J. Walkowitz, New York University*

*Barbara Weinstein, New York University*

# The FBI in Latin America

## THE ECUADOR FILES

---

MARC BECKER

DUKE UNIVERSITY PRESS *Durham and London* 2017

© 2017 Duke University Press

All rights reserved

Printed in the United States of America on

acid-free paper ∞

Typeset in Minion Pro by Westchester Publishing Services

Library of Congress Cataloging-in-Publication Data

Names: Becker, Marc (Professor of history), author.

Title: The FBI in Latin America : the Ecuador files / Marc Becker.

Description: Durham : Duke University Press, 2017. | Series: Radical perspectives : a radical history review book series | Includes bibliographical references and index. |

Description based on print version record and CIP data provided by publisher; resource not viewed.

Identifiers: LCCN 2017007585 (print) | LCCN 2017011972 (ebook)

ISBN 9780822372783 (e-book)

ISBN 9780822369592 (hardcover : alk. paper)

ISBN 9780822369080 (pbk. : alk. paper)

Subjects: LCSH: Ecuador—Politics and government—1944–1984. | United States. Federal Bureau of Investigation—History—20th century. | Espionage, American—Ecuador—History—20th century. | Espionage, American—Latin America—History—20th century. | United States—Foreign relations—Latin America. | Latin America—Foreign relations—United States.

Classification: LCC F3738 (ebook) | LCC F3738 .B43 2017 (print) |

DDC 327.7308/0904—dc23

LC record available at <https://lccn.loc.gov/2017007585>

Cover art: Kathryn Sutton/Fine Arts Design at Truman State University

## CONTENTS

---

	PREFACE	vii
	ACKNOWLEDGMENTS	ix
	ABBREVIATIONS	xi
	INTRODUCTION	FBI 1
<b>1</b>	SIS	17
<b>2</b>	Communism	53
<b>3</b>	Labor	95
<b>4</b>	La Gloriosa	125
<b>5</b>	Constitution	157
<b>6</b>	Coup	193
<b>7</b>	Departures	223
	CONCLUSION	Cold War 249
	NOTES	259
	BIBLIOGRAPHY	299
	INDEX	311



## PREFACE

---

This project began rather serendipitously with an invitation in November 2013 from the Universidad Andina Simón Bolívar (UASB) in Quito, Ecuador to present at a colloquium on the seventieth anniversary of the May 28, 1944, revolution. In research for my previous book, *Indians and Leftists in the Making of Ecuador's Modern Indigenous Movements*, I had searched without success at the National Archives and Records Administration (NARA) in College Park, Maryland, for information on rural participation in this mass uprising. Along with many other Latin American historians, I had discovered that the U.S. State Department cables in Record Group 59 Central Decimal Files provide an excellent source of information on the domestic affairs of other American republics. Every time I was in Washington, DC, for an academic conference, I always made a short side trip to NARA to see what new and interesting tidbits of information I might discover that would assist in my study of Latin America's social movements.

Two months after the UASB's invitation, the American Historical Association (AHA) held its annual meeting in Washington, DC. I decided once again to see what information the national archives might hold on peasant organizations. Maybe I had missed something in my previous, admittedly hasty, visits. While I did not find the information I sought on rural mobilizations, I was stunned to encounter extensive documentation of the Federal Bureau of Investigation (FBI) surveillance of urban labor leaders and leftist militants. Like most, I had assumed that government regulations limited the FBI to domestic surveillance within the United States and charged the Central Intelligence Agency (CIA) with spying operations outside the country. Yet here were FBI agents in Latin America. . . .

I quickly found myself falling down a rabbit hole as I was drawn into this previously unknown (at least to me) story of FBI counterintelligence activities in Latin America. I had hit one of those mother lodes of primary source documents that so excite historians. I began skipping sessions at the AHA to spend more time reading archival reports. I placed my camera on a copy stand

and shot thousands of images of documents as quickly as I could. (The most important of these are available in an electronic appendix for this book at <http://www.yachana.org/fbi>.) When a blizzard delayed my departure from Reagan National Airport, I was delighted to have gained even more time to collect information on the FBI's program.

It did not surprise me that the U.S. government would intervene in the internal affairs of another country. In the 1980s, I worked with the organization Witness for Peace to document U.S.-funded contra attacks against the civilian population in Jinotega, Nicaragua, where such interference was all too obvious. When I began graduate school, I wanted to study the region from a Latin American perspective rather than focusing on U.S. imperial interventions, an objective that my training as a social historian under Elizabeth Kuznesof's expert guidance facilitated. My research on the Peruvian Marxist José Carlos Mariategui and popular movements in neighboring Ecuador advanced that goal of decentering empire. Rather than only critiquing problems that were often all too obvious, I wanted to learn from solutions that our counterparts in Latin America had proposed.

Discovering the FBI surveillance excited me not because of what it might tell us about U.S. imperial adventures in Latin America, about which much has been written, but because of the insights that spying might provide on popular movements' struggles to create a more just and equal society. The FBI documentation offers a unique opportunity to gain a richer and fuller understanding of the Latin American left. This study focuses largely on the communists, both because that is where the FBI dedicated its efforts and because the communists were often the ones who were most dedicated to imagining another world that would include the most marginalized peoples and create a society without racial discrimination, sexual violence, and economic exploitation. Studying the triumphs, shortcomings, and insights of previous generations can better equip us to achieve those goals today.

A brief note on capitalization: The *Chicago Manual of Style*, 16th ed., 8.37, calls for the names of ethnic and national groups to be capitalized, including adjectives associated with those names. Because "Indigenous" refers to such a group, the term is capitalized in this book. That convention is based on, and followed in respect for, the preference that the board of directors of the South and Meso American Indian Rights Center (SAIIC) specified as an affirmation of their ethnic identities.

## ACKNOWLEDGMENTS

---

I thank Guillermo Bustos, Santiago Cabrera, Pablo Ospina, Katerinne Orquera, and my other colleagues at the UASB for the invitation to present at the colloquium on May 28–29, 2014, that provided the impetus for this book.<sup>1</sup> Other colleagues at the colloquium, including Valeria Coronel and Hernán Ibarra, offered key insights that improved this work. Su Flickinger and Doris Bartel graciously extend hospitality to me during my all too brief research trips to NARA. A fortuitous discussion with Anton Daughters led me to his grandfather Donald Daughters, the first person I was able to identify by name who had served as an FBI agent in Latin America. Anton courteously granted me access to an unpublished interview he had conducted with his grandfather before his death, and that interview furnished me with a much needed ethnographic feel for the FBI agents. Sally West kindly allowed me to present my initial ideas from this project at a Faculty Forum at Truman State University. Dan Mandell and Jason McDonald proffered penetrating feedback on an early draft of a prospectus, even though much of their advice and many of their suggestions will have to wait for my next book. The Provost Office at Truman State University funded a well-timed sabbatical leave that allowed for rapid completion of this book, and I thank that office for not complaining when I switched topics from what I had initially proposed.

Miguel Tinker Salas generously guided me to documents that significantly expanded and strengthened this work. Barry Carr responded to my questions and offered important guidance on the history of the left at key junctures in my research and writing. Steve Ellner's keen insights and probing questions on inter-American affairs bolstered my analysis. I am grateful for Margaret Power's support for a broader collaborative project on the FBI in Latin America. All are models of collegiality and politically engaged scholars, and I am fortunate to run in their circles. In the final stages of writing, Kelsey Smugala conducted a close and careful edit of the manuscript that immeasurably strengthened the final product. I truly appreciate Gisela Fosado's support and

encouragement for publication with Duke University Press. It has been a pleasure to work with the entire Duke team, including editorial associate Lydia Rose Rappoport-Hankins, on this project. Once again, Bob Schwarz of Shearwater Indexing compiled the index in an excellent and efficient manner. To all of these colleagues and others, I extend my deepest gratitude.

## ABBREVIATIONS

---

ADE	Alianza Democrática Ecuatoriana (Ecuadorian Democratic Alliance)
AFE	Alianza Femenina Ecuatoriana (Ecuadorian Feminist Alliance)
AFL	American Federation of Labor
ARNE	Acción Revolucionaria Nacionalista Ecuatoriana (Ecuadorian Nationalist Revolutionary Action)
CEDOC	Confederación Ecuatoriana de Obreros Católicos (Ecuadorian Confederation of Catholic Workers)
CIA	Central Intelligence Agency
CIG	Central Intelligence Group
CIO	Congress of Industrial Organizations
COI	Coordinator of Information
CTAL	Confederación de Trabajadores de América Latina (Confederation of Latin American Workers)
CTE	Confederación de Trabajadores del Ecuador (Confederation of Ecuadorian Workers)
FAC	Foreign Activity Correlation
FBI	Federal Bureau of Investigation
FDN	Frente Democrático Nacional (Democratic National Front)
FEI	Federación Ecuatoriana de Indios (Ecuadorian Federation of Indians)
FEUE	Federación de Estudiantes Universitarios del Ecuador (Federation of Ecuadorian University Students)
FEV	Frente Electoral Velasquista (Velasquist Electoral Front)
FPTG	Federación Provincial de Trabajadores del Guayas (Provincial Federation of Workers of Guayas)
FTP	Federación de Trabajadores de Pichincha (Pichincha Workers Federation)
MAE	Movimiento Antifascista del Ecuador (Ecuadorian Antifascist Movement)
MCDN	Movimiento Cívico Democrático Nacional (National Democratic Civic Movement)

MID	Military Intelligence Division
MPA	Movimiento Popular Antitotalitario (Popular Anti-totalitarian Movement)
OIAA	Office of Inter-American Affairs
OIR	Office of Intelligence Research
ONI	Office of Naval Intelligence
OSS	Office of Strategic Services
PCE	Partido Comunista del Ecuador (Communist Party of Ecuador)
PSE	Partido Socialista Ecuatoriano (Ecuadorian Socialist Party)
SADC	South American Development Company
SAIP	Sociedad Artística y Industrial de Pichincha (Artistic and Industrial Society of Pichincha)
SEDTA	Sociedad Ecuatoriana de Transportes Aéreos (Ecuadorian Aerial Transport Society)
SIS	Special Intelligence Service
UDE	Unión Democrática Universitaria (University Democratic Union)
VRSE	Vanguardia Revolucionaria del Socialismo Ecuatoriano (Ecuadorian Revolutionary Socialist Vanguard)
WFTU	World Federation of Trade Unions

## INTRODUCTION

---

# FBI



---

**PEDRO SAAD** received more attention from FBI agents than anyone else in Ecuador. Saad was born to Lebanese immigrant parents in Guayaquil. He studied law at the University of Guayaquil, but instead of practicing law he worked as an accountant with the family textile business. Saad was a leading labor activist and was the first of six deputies representing labor interests in the 1944–45 Constituent Assembly. In 1952, he was elected secretary-general of the Communist Party, a position he held for the next several decades. Source: León Borja, *Hombres de Mayo*.

Pedro Saad was concerned about government surveillance of his political activities. He had good reason to be apprehensive. The police had detained him several months earlier after cracking down on his attempt to organize a labor federation. Now he was free, and his friends wanted to throw him a party. Please don't, he told them. If we celebrate my release, it will only call more attention to other political activists. Government monitoring had already made life difficult for leftists, and Saad did not want to facilitate their investigations.

We know this story because an anonymous source informed an agent with the Federal Bureau of Investigation (FBI) of a private meeting that Saad held at the home of his fellow Communist Party member Hermel Quevedo. Enrique Barrezueta, another party member, was the only other person present.<sup>1</sup> It should be no surprise that the FBI would spy on communists; that was one of the bureau's main activities since its founding earlier in the twentieth century. What makes this story noteworthy is that it took place not in the United States but in 1943 in the South American country of Ecuador. The FBI report on Saad's private conversation raises important questions. Why was the FBI in South America? How did the agent acquire information on a small, secret, closed meeting of known Communist Party militants? And what did the bureau plan to do with the information it gathered?

This book explores a little-known chapter of U.S. intervention in Latin America. During World War II, U.S. President Franklin Delano Roosevelt (FDR) placed the FBI in charge of political surveillance in Latin America. The FBI is commonly thought of as a domestic police force, whereas the Central Intelligence Agency (CIA) is responsible for intelligence-gathering operations outside the United States, even though neither agency completely respects this division of responsibilities. The FBI presence in Latin America, however, came before the creation of the CIA in 1947 and in the midst of Director J. Edgar Hoover's attempt to build the bureau into a global investigatory agency.

Through a program called the Special Intelligence Service (SIS), the FBI placed about seven hundred agents in Latin America during the 1940s. The

original justification for this program was “to gather secret intelligence in connection with subversive activities throughout the Western Hemisphere,” which was understood to mean combating the influence of German Nazis in Mexico, Brazil, Chile, and Argentina.<sup>2</sup> The program quickly spread to other countries. The United States treated Central America and the Caribbean as within its geopolitical sphere of influence and as such considered surveillance of those areas to be key to national security concerns. In northern South America, Venezuela and Colombia had significant strategic importance because of their petroleum reserves. Peru on the west coast of South America had extensive mineral exports that the United States sought for the war effort. In addition, that country was home to more than seventy thousand people of Japanese descent. After the attack on Pearl Harbor in December 1941, the United States questioned the loyalty, often without a firm basis in reality, of those immigrants.

The FBI’s mission did not stop in countries with large German or Japanese populations or those of geopolitical or strategic significance to the United States. As indication of the FBI’s reach, the agency stationed forty-five agents, many of them clandestinely, in Ecuador, a country that never was the target of German espionage networks and lacked geopolitical or strategic significance. With the decline of the Nazi threat by 1943, Hoover shifted his entire international intelligence apparatus to focus on his primary obsession with communism. During the war years, many State Department officials supported political liberalization and democratization and were willing to work with leftist labor movements and political parties. The Allied fight against dictatorships in Europe led to a discrediting of authoritarian conservatives who traditionally had held power in Latin America, and at the same time the communist left gained prestige for having joined the battle against fascism.<sup>3</sup> The FBI under the notoriously xenophobic and anticommunist Hoover, however, had other priorities. Even as diplomatic officials welcomed openings to the left, FBI agents accelerated their surveillance of communist activists. Not only did a disconnect emerge between the justification for the FBI presence in Latin America (fascism) and the focus of their investigations (communism), but an additional disparity existed between the perceived threat of communism and the lack of danger that Latin American Communist Parties actually presented to U.S. security concerns.

The imperial gaze of the United States toward Latin America is immediately apparent in the FBI surveillance activities. That much should not come as a surprise, given what we know and what is already well documented about

the nature of twentieth-century inter-American affairs.<sup>4</sup> The FBI presence in Latin America corresponded with a brief period in the 1940s of democratization and political openings that U.S. officials generally supported. These policy makers were often less concerned with ideological or political threats than with the economic competition that German goods posed to U.S. corporate financial interests, a danger that was repeated in the pages of the *New York Times*.<sup>5</sup> The United States attempted to maintain control over Latin America as a cheap source of raw materials and a lucrative market for finished industrial products, with the associated economic profits accruing to corporations based in the United States. Latin American leftists have long critiqued the region's economic dependence on industrialized countries and fought to break free from those restraints. They organized political parties and labor movements to fight against exploitation and oppression and for a more equitable distribution of resources. Socialists and communists opposed the attempts of U.S. monopolies to gain economic control over the rest of the hemisphere. They condemned loans from the United States that were designed to build an infrastructure to extract raw resources from Latin America. They denounced attempts "to make Ecuador an exclusively agricultural country, merely a source of raw materials for U.S. industry and a market for North American manufactured products." Instead, leftists argued, Latin America needed planned industrialization to raise living standards.<sup>6</sup> This political advocacy challenged the U.S. economic dominance over the hemisphere, which gained them the attention of its intelligence-gathering networks.

More interesting, and more useful for that matter, than attempting to understand or explain U.S. policy objectives is to examine what light counterintelligence documents shed on leftist organizing efforts in Latin America. This book interrogates the FBI documents not for what they reveal about the nature of U.S. political intervention in Latin America but, rather, for what they divulge about leftist struggles for a more equitable and just world. Ecuador is the focus of this study because it has a rich history of strong popular movements that pressed for social changes to end long-entrenched patterns of political exclusion and economic exploitation. In 1895, Eloy Alfaro led a liberal revolution that promised profound reforms that ultimately fell far short of expectations. In 1925, modernizing military leaders instigated a coup known as the *Revolución Juliana* (July Revolution) that attempted to introduce progressive social and labor reforms. The collapse of the cocoa export economy and the global economic depression led to a period of economic crisis and political instability during the 1930s that halted the promised improvements to society. A 1944 uprising commonly

known as La Gloriosa, or the Glorious May Revolution, once again attempted but failed to open up political space for previously disenfranchised sectors of society. Each of these “revolutions” promised a fundamental transformation of society, but in each case the ruling class reasserted its control over economic and social structures, and life continued much as before. The Ecuadorian left faced a conundrum of being able to overthrow governments but of being too weak and internally fractured to implement positive policy alternatives.

The height of the FBI presence in Latin America corresponded with a particularly intense period of popular organizing in Ecuador. Working-class activists first failed and then succeeded in establishing a unified leftist labor federation. The Partido Comunista del Ecuador (Communist Party of Ecuador; PCE) in alliance with socialists and other progressives—and sometimes in competition with them—became a significant political force. These leftists drafted a new and progressive constitution that significantly expanded labor and social rights. Yet after initial successes, a coup, a conservative constitution, and a series of pro-U.S. governments reversed those gains. The FBI’s fixation on a communist menace that allegedly emanated out of Moscow generated extensive documentation that provides an excellent avenue for gaining a deeper and better appreciation of those local struggles. A study of the successes and shortcomings of transformative movements provides important lessons for how to build a more just and inclusive society.

### **Police Sources**

Political surveillance affords an important avenue to reconstruct the history of popular movements that contributed to transformational changes in society. Activists rarely had the time to maintain records to document their actions, or the interest in doing so. They commonly failed to preserve copies of periodicals they published—nor did libraries collect such ephemeral material. Militants often discarded their publications when their immediate political purpose passed, and they destroyed papers rather than risk facing persecution from military regimes. At times, the police confiscated the records of labor unions and leftist political parties. The CIA reported that during a coup in Ecuador in 1963, a military “raid on PCE headquarters netted several rank-and-file Communists, the PCE files and financial records, and two truckloads of propaganda.”<sup>7</sup> The party’s archive may still exist deep in the bowels of the military barracks, but if so, it has not emerged for public scrutiny. It does, however, provide a hint of the rich documentation that police archives potentially contain.

In the meantime, scholars are forced to turn elsewhere to reconstruct a history of the Ecuadorian left.

Scholars have written several good preliminary studies of the Ecuadorian left, although a lack of documentation has hampered a full treatment of this topic.<sup>8</sup> Many movement publications, including the periodicals *Bloque*, *Combate*, and *Ñucanchic Allpa*, are not readily available inside or outside the country. Only much later do historians become aware of the usefulness of these documents to chronicle a movement's history. Occasionally, copies made their way into police files where researchers subsequently discovered them.<sup>9</sup> Otherwise, we are left with fragments of these publications, including references to them in FBI reports. Surveillance reports may also provide the sole surviving documentation of internal PCE and labor union discussions. It is a truism that the police maintain the archives for leftist organizations and popular movements. The FBI's intelligence gathering offers scholars an unusually rich and much needed source of documentation and ethnographic evidence that creates a unique opportunity to gain a deeper appreciation for the Latin American left. Understandings that previously appeared only faintly now emerge more clearly, thanks to the contributions of foreign intelligence surveillance agencies.<sup>10</sup>

Very little has been written about the FBI in Latin America in the 1940s, and this episode in the agency's history remains largely unknown both in academic circles and among the general public. Surprisingly, none of the hundreds of FBI agents who worked in this program have published memoirs of their experiences, although some excellent oral histories are available.<sup>11</sup> The sole book-length treatment on the FBI in Latin America during this decade is the institutional history that the agency published in 1947 to justify its program.<sup>12</sup> Naturally, a very large literature exists on the FBI that provides a solid basis for further study.<sup>13</sup> Most popular histories of the FBI, such as Ronald Kessler's *The Bureau*, focus almost exclusively on the United States and contain only passing references to Latin America.<sup>14</sup> Rarely do these sources make mention of the secretive SIS program, and when they do they primarily examine administrative affairs in the United States rather than the agents' clandestine activities in Latin America. The former FBI agent Raymond Batvinis, for example, offers an insider view of the agency in *The Origins of FBI Counterintelligence*. Although he writes about the 1940s, he is mainly concerned with developments in Washington, DC, and provides little information on political processes in Latin America.

Authors who do examine FBI counterintelligence in Latin America limit their attention to the perceived German Nazi menace that originally justified the agency's presence or U.S. responses to that alleged threat.<sup>15</sup> Their writings contain very little analysis of the FBI's campaigns against the political left. Scholars who mention that surveillance understate its significance and do not appear to recognize its value for a study of the left.<sup>16</sup> This shortcoming exists despite the fact that in unpublished oral history interviews many former agents readily acknowledge that their efforts focused on domestic communists and not on the Germans. Very good books have been written about U.S. investigations of leftists in Latin America, but all of them focus on the Cold War rather than World War II.<sup>17</sup> These works, however, do provide a broader context and model on which the current study builds.

This book on the FBI in Latin America extends an analysis of political surveillance to an earlier period and complements other books that examine only the Nazi threat or read these events through the lens of U.S. policy concerns. This work contributes new insights into the purpose and nature of international surveillance, with a particular focus on what that intelligence gathering can tell us about social movements in Latin America. Other sources, including State Department correspondence, Latin American government reports, newspaper articles, and social-movement proclamations, facilitate and complement interpretations included in the FBI reports. Together, these sources provide a multifaceted perspective on grassroots efforts to build a strong movement for social justice and against oppression and exploitation in Latin America.

### **Good Neighbors**

Beginning with his inauguration as U.S. president in 1933, Roosevelt marketed the principle of nonintervention in the internal affairs of other American republics as the cornerstone of his Good Neighbor policy. Secretary of State Cordell Hull publicly reiterated this policy at the Seventh International Conference of American States in Montevideo, Uruguay, in December 1933 when he agreed to abandon direct intervention in the Americas. The most overtly visible aspect of the policy was the withdrawal of the marines from the Central American and Caribbean countries of Nicaragua and Haiti that they had occupied on and off since the beginning of the century. It was not until twenty years later, with the overthrow of the progressive government

of Jacobo Arbenz in Guatemala, that the United States once again actively conspired to intervene militarily in Latin America. Many scholars nostalgically reflect back on FDR's Good Neighbor policy as a positive model of the type of approach that the U.S. government should pursue toward the rest of the Americas.<sup>18</sup>

Despite these generally optimistic attitudes toward Roosevelt's foreign policies, the United States did not ignore political developments in Latin America during these two decades. Only a few years after proclaiming the Good Neighbor policy, Roosevelt ordered the FBI to act as a political intelligence agency to investigate first fascist and then communist groups, both domestically in the United States and internationally in Latin America and beyond. The FBI sent its secret intelligence agents into Latin American countries without the knowledge of the host government, and sometimes even without the awareness of U.S. diplomatic officials. This clandestine activity made a mockery of the noninterventionist tenets so central to the Good Neighbor policy. FDR's policies highlight the reality that even with the best of intentions the United States never relaxed its imperial grasp on Latin America.

The roots of the FBI lie in the creation of the Bureau of Investigation (BOI) in 1908. Almost from the beginning the BOI operated internationally. In 1917, the bureau joined the State Department, Secret Service, Army, and Navy in gathering intelligence in Mexico during its revolution. Duplication of efforts and conflicts among these different agencies was a persistent problem.<sup>19</sup> In 1935, FDR reorganized the bureau under the name Federal Bureau of Investigation as an independent agency within the Department of Justice. The president charged the bureau with criminal investigation and counterintelligence work. The FBI gained a positive reputation for capturing the famous criminals John Dillinger and Al Capone, but a chasm divided those agents engaged in criminal investigations and others working on political cases.<sup>20</sup> The bureau's work as a political police force remained largely hidden from public view and was controversial when it came to light. The surveillance often targeted peaceful protest rather than legitimate security threats, a misuse of government resources that remains a concern. From 2000 to 2009, for example, undercover agents infiltrated the School of the Americas Watch (SOAW), a group of non-violent activists who work to close the U.S. Army School of the Americas. The FBI repeatedly acknowledged the protestors' peaceful intentions, which led the SOAW to highlight "the true role of the FBI." The SOAW depicted the bureau "as a political surveillance and intelligence operation that uses domestic terrorism authority against peaceful protesters and organizations."<sup>21</sup> Attempts to

intimidate legitimate protest movements and political action have long characterized FBI surveillance activities.

Although the justification for the FBI surveillance was originally rooted in the rise of Nazi power in Germany, during his entire tenure in office Hoover was primarily obsessed with an alleged communist threat to U.S. national interests. On September 5, 1936, Hoover instructed his agents “to obtain from all possible sources information concerning subversive activities being conducted in the United States by Communists, Fascists and representatives or advocates of other organizations or groups advocating the overthrow or replacement of the Government of the United States by illegal methods.”<sup>22</sup> The ambitious FBI director did not restrict his activities to the United States and soon sought to extend his reach to Latin America.<sup>23</sup> In 1936, FDR directed Hoover to coordinate the collection of intelligence information with the State Department, the Office of Naval Intelligence (ONI), and the War Department’s Military Intelligence Division (MID, sometimes called G-2 in reference to the intelligence staff of a unit in the U.S. Army). The other agencies predated the FBI’s arrival in Latin America. The Navy created the ONI in 1882, and in 1885 the Army formed the MID, originally called the Military Information (rather than Intelligence) Division.<sup>24</sup> Under Hoover, who served as director of the bureau for forty-eight years, from 1924 until his death in 1972, the FBI surpassed these other agencies as an international political police force.

Interagency squabbles led the other organizations to challenge FDR’s preference for the FBI to investigate global “subversive” activities. In 1940, Adolf A. Berle Jr., the assistant secretary of state responsible for intelligence affairs, negotiated an agreement that was to limit the FBI to the Western Hemisphere; the Navy would hold responsibility for intelligence gathering in the Pacific while the Army controlled operations in Europe, Africa, and the Panama Canal Zone.<sup>25</sup> Even though the agreement placed the FBI in charge of the Americas, Army and Navy attachés as well as State Department diplomats continued to collect intelligence in the hemisphere. Informants sometimes served more than one agency, and the competition for informants caused continual conflicts.<sup>26</sup> The extensive duplication among the information-gathering agencies limited their overall productivity and effectiveness.

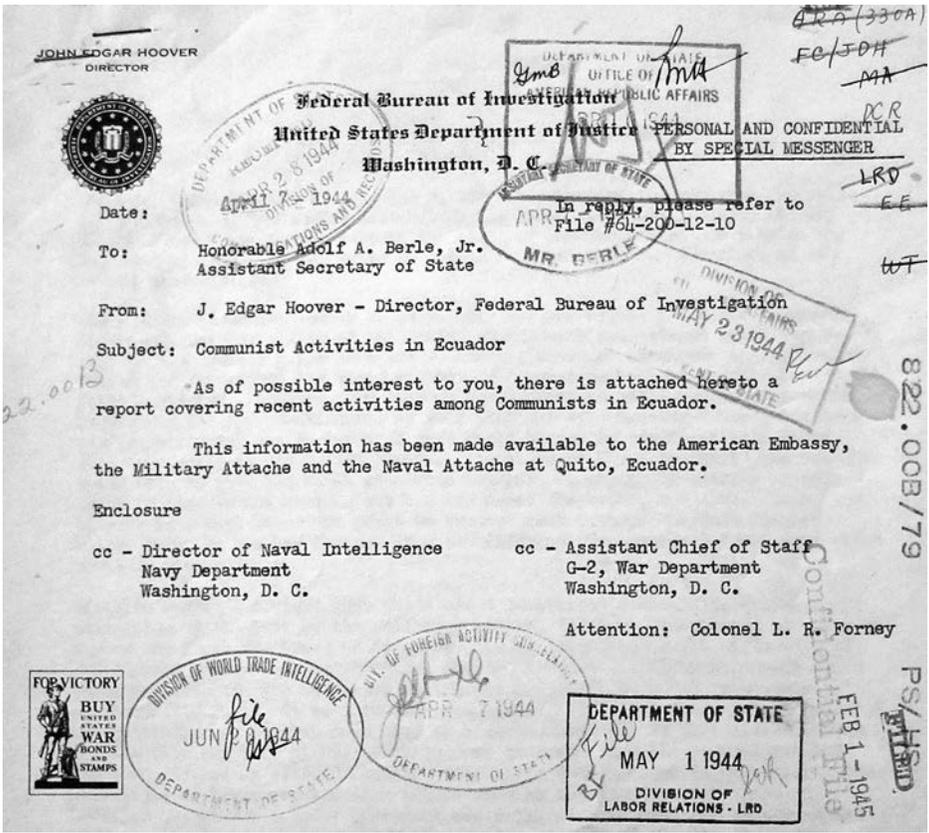
Hoover put a good face on these feuds and in his annual report for 1942 told of weekly conferences and close collaboration between the different intelligence agencies.<sup>27</sup> Jack Neal and Frederick B. Lyon headed a Division of Foreign Activity Correlation (FAC) in the State Department to process the sensitive political intelligence that the agencies collected. A history of the

State Department describes the FAC as “so secretive as to its activities that even the Secretary of State was not informed of some of its work.”<sup>28</sup> Neither did the president inform Congress of the FBI’s activities in Latin America. Instead, he funded the agency through a White House discretionary fund that required very little oversight.<sup>29</sup> Officials designed the entire intelligence-gathering operation to subvert administrative and congressional oversight.

Throughout much of the 1940s, Hoover forwarded FBI field reports from Latin America to the State Department in Washington. The communications followed a standard format, with a cover letter from Hoover first addressed to Assistant Secretary of State Berle and then later to Lyon or Neal at the FAC, with a copy to the chief of the Military Intelligence Division (Military Intelligence Service after March 1942) at the War Department and the director of naval intelligence at the Navy Department. Hoover commonly copied the local U.S. embassy on his correspondence, and if he did not do so, the State Department would forward the information to its diplomatic representatives. Hoover’s letters to Berle were marked “personal and confidential by special messenger” and indicated the level of reliability and confidentiality of the source of the information. The levels varied from “reliable and confidential” or “confidential source believed to be reliable” to an indication that the reliability of the source could not be ascertained.<sup>30</sup>

John Speakes, an FBI field officer in Mexico, notes that Hoover was fond of the field reports because they provided him with information he otherwise would not receive. Speakes comments, “I believe he grew to like the idea of receiving his own reports of conditions in some foreign country written by his own personnel.”<sup>31</sup> The historian John Bratzel notes that despite claims of reliability, overzealousness mixed with inexperience and personal ambition led to many highly inaccurate reports. Bratzel observes that while the FBI excelled at tracking down German radio transmitters through triangulation, its reports were plagued with the problem of “incredible overstatements and puffery.”<sup>32</sup> Hoover forwarding the reports to other offices appears to be less an act of altruistic collegiality than an interdepartmental power play that reinforced his sense of self-importance.

Hoover commonly inflated the perceived importance of the information he provided. For example, in March 1942 he reported, “Information has been received from a highly confidential source that Coronel Ricardo Astudillo has been named Commander in Chief of the Armed Forces of Ecuador.” A reader in the State Department circled the word “confidential” and noted, in rather snide fashion, “*New York Times?*” Indeed, several weeks earlier the *New York*



*Times* had reported on Astudillo's promotion.<sup>33</sup> The scholar Maria Emilia Paz Salinas observes, "The main success of the FBI in its counterintelligence battle was attributable to the unforgiveable mistakes committed by the Axis espionage agents rather than to the proficiency of the FBI people." She excoriates Hoover's reports for their "lack of depth and insight."<sup>34</sup> The author Chalmers Johnson, who was a consultant for the CIA from 1967 to 1973 and subsequently became a sharp critic of U.S. imperialism, noted, "The best reason to keep the national intelligence estimates secret . . . was their utter banality." He pondered whether classification simply hid the potential embarrassment "to have it known that such conventional journalism passed for strategic thought."<sup>35</sup> The security classification systems often appear to be quite random and provide an illusion rather than the reality of the sensitivity of the information contained within.

Initially, the State Department responded to Hoover's correspondence with a note of acknowledgment and appreciation for the information, although by 1942 interdepartmental tensions had reached the point at which such niceties were no longer observed. On occasion, the State Department would reciprocate with copies of its blandest, most innocuous correspondence that was classified "unrestricted" and contained publicly available information with an accompanying note that perhaps the information "will be of value" to bureau officials.<sup>36</sup> Despite a pattern of notoriously dysfunctional infighting among different government agencies, Hoover and Berle maintained a cordial relationship and on occasion Berle even defended the FBI from attacks from other agencies.<sup>37</sup> Berle pointed to the construction of an intelligence network in Latin America as the one area where the State Department had been able to collaborate effectively with the FBI during the war years.<sup>38</sup> In its annual reports and official history, the FBI insisted that it had very close and warm relations with embassies and, in particular, with Robert Scotten who served as ambassador in Quito from 1943 to 1947.<sup>39</sup> Hoover excelled at promoting his agency despite the institutional competition he faced.

The Office of Strategic Services (OSS), which FDR created in June 1942 to coordinate espionage and propaganda activities, also provided competition to the FBI. The OSS engaged in covert, anti-Nazi activities, whereas the FBI was to be restricted to intelligence gathering, a distinction that, as the historian Dirk Raat notes, "was easier to define than to put into practice."<sup>40</sup> The OSS was a forerunner to the CIA that U.S. President Harry Truman created with the National Security Act of 1947. Hoover thought that the OSS was encroaching on what should have been his territory, and, indeed, the OSS was sometimes more concerned with FBI snooping than the activities of Axis intelligence agencies. In fact, Hoover may have adopted the Special Intelligence Service (SIS) nomenclature for his Latin American program to usurp a similarly named Special or Secret Information Service (SI) of the OSS's precursor Office of the Coordinator of Information (COI).<sup>41</sup> As indication of the interagency rivalries, one former agent reported that when he resigned from the bureau to join the OSS, the FBI telegraphed his draft board so he would be inducted into the military instead.<sup>42</sup> The competing agencies hardly seemed to be collaborating in a fight against a common enemy.

In contrast to Hoover's hatred of leftists, General William Donovan, director of the OSS, quietly but actively recruited communists because of their facility with languages and ability to work effectively with communist-led antifascist movements. Donovan found that leftists were often his most useful field of-

ficers.<sup>43</sup> Communist activists reciprocated by recruiting party members as part of their contribution to the war against fascism.<sup>44</sup> Ultimately, Donovan was not able to marshal as many resources as Hoover. As a result, the OSS did not generate as voluminous a body of field reports as the FBI. Reports on Latin America by the OSS also were not necessarily any better than those by the FBI. Despite all evidence to the contrary, a COI report on insecurity in Ecuador from November 1941 claimed, “The activities of well-organized Axis agencies have been helped by the naturally pro-Fascist sentiment of a large proportion of the educated population.” The same report, however, also astutely recognized that foreign companies exploited natural resources and took the profits out of the country.<sup>45</sup> Intelligence officers had extreme difficulty in distinguishing between a pro-Nazi and anti-U.S. position—nor did they understand the sentiments behind nationalist opposition to imperial exploitation. All anti-imperialist sentiments were painted with the same broad brush.

In addition to the State Department, MID, ONI, and OSS, the Office of Inter-American Affairs (OIAA), under the coordination of the wealthy U.S. capitalist and philanthropist Nelson Rockefeller, competed with the FBI to counter an alleged German political, economic, and cultural threat to Latin America and to maintain U.S. imperial control over the region. Despite opposition from the State Department, Roosevelt created the OIAA in August 1940 to combat Axis commercial and cultural influence and deepen U.S. economic control over Latin America. Its functions overlapped with those of other government agencies, which led to tension and conflicts. Career diplomats argued that the OIAA was a naïve and amateur operation that bungled complex international economic and political relations and ultimately did more harm than good to U.S. government interests during the war. In April 1941, the State Department claimed authority over foreign policy concerns and subjected the OIAA to its oversight. An executive order from April 1946 abolished the OIAA and brought most of its programs under the State Department’s direct control. At the height of its operations, the OIAA had more than a thousand employees in the United States and three hundred technicians and field experts in Latin America. In addition, the OIAA employed almost seven hundred aides and assistants working with fifty-nine coordination committees in major Latin American cities. These coordination committees were composed primarily of prominent U.S. citizens engaged in business endeavors in Latin America that provided them with strong connections in local communities. The OIAA in particular spread propaganda to expand U.S. cultural influence in Latin America, including working with Walt Disney to make films that would advance its policy objectives.<sup>46</sup>

Although the agencies in Washington had their disagreements, agents on the ground in Latin America would sometimes collaborate with one another. For example, the FBI assigned Allan Gillies to an undercover position with an oil company in Maracaibo, Venezuela. As part of his position and with the consent of the FBI, he projected the OIAA's propaganda films.<sup>47</sup>

All of these overlapping and competing agencies with their interventionist agendas could become a little much for Latin American governments. In 1944, Harold Williamson, the consul general in Guayaquil, related, with a certain amount of surprise, private statements from Ecuadorian President Carlos Alberto Arroyo del Río that he was “fed up to the neck with the Gringos and that he is fed up to the top of his head with those Ecuadorans who like the Gringos.” Another confidential source corroborated the president’s “extreme resentment against American officials, notably those of the Embassy.”<sup>48</sup> A week later, the consul reported with a good deal of relief that on further questioning the confidential source had revealed that the president’s resentment was directed not against embassy officials but against “officers of independent Government agencies.” The contact either believed that these officials were members of the embassy staff or had “permitted his imagination to enlarge upon the story.”<sup>49</sup> Unfortunately, even in this “strictly confidential” correspondence, Williamson does not reveal who these unnamed officers were and whether they belonged to one of the competing intelligence agencies. Logically, though, the nature of his response indicates that they probably did. Regardless of the agency, leftists criticized these policies—as they also did with the subsequent Marshall Plan and Alliance for Progress—for subjugating other countries to U.S. economic control. Hemispheric security, from this perspective, was a justification rather than the purpose for the U.S. presence.

### **Surveillance as Documentation**

This book illustrates that the FBI's original excuse of combating Nazism in Latin America does not explain the far-reaching surveillance of leftists' activities. Neither does Ecuador's small Communist Party justify the dedication of such extensive resources. Unsurprisingly, agents reported on the party's internal conflicts, although the available archival record does not reveal FBI attempts to infiltrate and disrupt the activities of leftist political parties, as occasionally was the intent of embassy personnel and, later and more explicitly, the modus operandi of the CIA.<sup>50</sup> Similar to what the historian Andrew Barnard observes for U.S. surveillance of Chilean leftists during the war years,

“So far as the available evidence shows, all these agencies were concerned with gathering information rather than with executive action.”<sup>51</sup> The FBI infiltrated the Chilean Communist Party with an intent “to secure accurate advance reports on proposed changes in policy,” and then share that intelligence with the embassy and State Department.<sup>52</sup>

In contrast, the OSS created a branch called Morale Operations (MO) that engaged in disinformation campaigns and psychological warfare designed to mislead or misdirect an opponent. The intent of this black propaganda was subversive, and agents disguised their sources so that the U.S. government could disown an operation and claim innocence if it backfired.<sup>53</sup> If the FBI engaged in similar tactics in Latin America during the war, that information has not come to light. Hoover apparently did treat the SIS as a genuine service agency that was tasked with conducting counterintelligence investigations for the benefit of others who could then analyze the information and decide what policies or other initiatives to pursue. He may have recognized that knowledge is power.

Although some of the targets of FBI investigation are understandable, in other cases the focus of the bureau's efforts is surprising, both for where it chose to dedicate resources and for the important leaders and activities that it missed. The agency was more concerned with labor leaders who might be positioned to challenge U.S. economic interests than ideological communists who forwarded radical critiques of society. The FBI also compiled information on members who seemingly had little importance or influence in the Communist Party, as if agents randomly and uncritically compiled information with little thought to its ultimate value. At the same time, agents remained largely oblivious to the activities of women, peasants, and Indigenous peoples who were not from the European-descended, male, upper-class society that the agents represented and from which they drew their confidential contacts. The race, class, and gender blind spots of those who collected information becomes one of the most significant limitations of using FBI investigations to re-create a history of the left. Nevertheless, the FBI's extensive surveillance provides a service that its original creators did not foresee: it documents domestic challenges to their imperial agenda. Thanks to those efforts, we are left with a better understanding of the thoughts and activities of leftist activists who sought to extend social rights to disenfranchised sectors of society.

## NOTES

---

### Acknowledgments

1. The papers from this conference are published in Cabrera, *La Gloriosa ¿revolución que no fue?*

### Introduction

1. Hoover to Berle, September 11, 1943, Record Group (RG) 59, 822.00B/69, NARA.
2. FBI, *History of the Special Intelligence Service Division*, 1.
3. Bethell and Roxborough, "Conclusion," 328–32.
4. See, e.g., Blum, *Killing Hope*; Grandin, *Empire's Workshop*; McPherson, *The Invaded*.
5. James Reston, "Priorities Threatening Good-Neighbor Policy," *New York Times*, October 19, 1941, 103.
6. "Pan-American Labor Urged to Fight U.S. Trusts," *Daily Worker* 22, no. 279 (November 21, 1945): 8.
7. Central Intelligence Agency, "Military Junta in Ecuador," July 15, 1963, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000437007.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000437007.pdf).
8. Good introductory studies of the Ecuadorian left include Páez, *Los orígenes de la izquierda ecuatoriana*; Rodas, *La izquierda ecuatoriana en el siglo XX*. Páez examines an earlier period of anarchism in *El anarquismo en el Ecuador*, and Bonilla analyzes the subsequent 1960s in *En busca del pueblo perdido*. Ibarra provides very close and careful readings in his many works. In particular, see Ibarra, "Los idearios de la izquierda comunista ecuatoriana." See also the masterful studies by Coronel, "A Revolution in Stages"; Ospina, "La aleación inestable."
9. Becker, "La historia del movimiento indígena escrita a través de las páginas de Ñucanchic Allpa."
10. Political police and spy archives have provided rich sources of documentation elsewhere in Latin America. In particular, see Weld, *Paper Cadavers*. Similar to what the research for this book discovered for Ecuador, the historian Aaron Navarro notes that "the bureaucracies of the Central Intelligence Agency, Federal Bureau of Investigation, Military Intelligence Division, Office of Strategic Services, and State Department produced voluminous and sometimes very cogent reports

detailing economic, social, and political developments in Mexico”: Navarro, *Political Intelligence and the Creation of Modern Mexico*, 5. Alexander Stephan and Jan van Heurck characterize the sheer bulk of material that the FBI collected as a result of the agency’s “combination of high efficiency with grotesque overkill”: Stephan and van Heurck, “*Communazis*,” xii. Tanalís Padilla and Louise Walker edited the special dossier “Spy Reports: Content, Methodology, and Historiography in Mexico’s Secret Police Archive,” which documents the potential for using police archives to write twentieth-century history. The dossier provides an excellent critique of the “methodological challenges regarding accuracy, bias and motivation” that arise in reading such documents: Padilla and Walker, “In the Archives,” 4.

11. Society of Former Special Agents of the FBI Inc., *Society of Former Special Agents of the FBI*. Interviews with some SIS agents are also available on the FBI Oral Histories page at the National Law Enforcement Museum’s website, <http://www.nleomf.org/museum/the-collection/oral-histories>. I thank Miguel Tinker Salas for bringing this resource to my attention.

12. A partially redacted PDF of *History of the Special Intelligence Service Division* is posted on the FBI’s website, <http://vault.fbi.gov/special-intelligence-service>. I thank Miguel Tinker Salas for bringing this publication to my attention.

13. Among the most significant recent books that create a broader context for this work are Medsger, *The Burglary*; Rosenfeld, *Subversives*; Weiner, *Enemies*. The best known study is Whitehead, *The FBI Story*. Hoover authorized its publication; thus, it presents an internal history of the agency on which many subsequent books have drawn.

14. Kessler, *The Bureau*, 69.

15. Among the works that offer a good interpretation of the FBI’s role in Latin America are Friedman, *Nazis and Good Neighbors*; Galvis and Donadio, *Colombia nazi, 1939–1945*; Newton, *The “Nazi Menace” in Argentina*; Paz Salinas, *Strategy, Security, and Spies*; Rout and Bratzel, *The Shadow War*.

16. Andrew Barnard, for example, mentions the FBI as “intermittently active in Chile,” even though at its height in October 1943 the bureau had forty-three agents in the country and a total of more than one hundred during the 1940s: Barnard, “Chile,” 67.

17. Among the most significant of these works are Donner, *The Age of Surveillance*; Huggins, *Political Policing*; Ratner and Smith, *Che Guevara and the FBI*.

18. See, e.g., Sadlier, *Americans All*, 200.

19. Raat, “U.S. Intelligence Operations and Covert Action in Mexico,” 620; Paz Salinas, *Strategy, Security, and Spies*.

20. Society of Former Special Agents of the FBI, “Interview of Former Special Agent of the FBI John J. Walsh (1938–1953),” May 19, 2003, <http://www.nleomf.org/museum/the-collection/oral-histories/john-j-walsh.html>.

21. “Exposed: FBI Surveillance of SOA Watch,” *iPresente!* 21, no. 1 (Spring 2016): 2, 11.

22. Whitehead, *The FBI Story*, 159. See also Donner, *The Age of Surveillance*, 56–57; Goldstein, *Political Repression in Modern America from 1870 to the Present*, 215, 247.

23. Huggins, *Political Policing*, 55.
24. Raat, "U.S. Intelligence Operations and Covert Action in Mexico," 622.
25. Whitehead, *The FBI Story*, 167.
26. Society of Former Special Agents of the FBI, "Former Special Employee of the FBI William Horan," July 23, 2003, <http://www.nleomf.org/museum/the-collection/oral-histories/william-horan.html>.
27. FBI, *Report of the Director of the Federal Bureau of Investigation John Edgar Hoover for the Fiscal Year 1942*, 4.
28. Stuart, *The Department of State*, 410.
29. Batvinis, *The Origins of FBI Counterintelligence*, 214. One of the first SIS agents describes the functioning of this confidential fund in Society of Former Special Agents of the FBI, August 14, 2003, "Telephone Interview of Dallas Johnson," <http://www.nleomf.org/museum/the-collection/oral-histories/dallas-johnson.html>.
30. When the State Department sent its Ecuadorian records to NARA in 1977, thirty years after the FBI program in Latin America closed, a "declassification review project" separated almost all of these field reports from the rest of the diplomatic correspondence. The FBI documents were placed in manila envelopes at the back of the corresponding archival box and were marked "Screened, do *not* refile," "Screened to remain classified do not refile," or "FBI—privileged material." The FBI has consistently delayed action on Freedom of Information Act (FOIA) requests, refused to turn over documents to NARA, and even destroyed field office records. See Stephan and van Heurck, "*Communazis*," 283.
31. John Speakes, "Memories," <http://www.nleomf.org/museum/the-collection/oral-histories/john-speakes.html>.
32. Bratzel, "Introduction," 6.
33. Hoover to Berle, March 13, 1942, RG 59, 822.20/218½, NARA; "Named to Ecuadorean Cabinet," *New York Times*, January 29, 1942, 3.
34. Paz Salinas, *Strategy, Security, and Spies*, 202.
35. Johnson, *The Sorrows of Empire*, 10.
36. See, e.g., Tewksbury to Secretary of State, December 28, 1944, RG 59, 822.00/12-2844, NARA.
37. Webb, "Intelligence Liaison between the FBI and State."
38. Berle, *Navigating the Rapids*, 404.
39. FBI, *History of the Special Intelligence Service Division*, 614.
40. Raat, "U.S. Intelligence Operations and Covert Action in Mexico," 617.
41. Paz Salinas, *Strategy, Security, and Spies*, 192.
42. Society of Former Special Agents of the FBI, "Interview of Former Special Agent of the FBI Charles E. Higdon (1940–1945)," August 11, 2004, <http://www.nleomf.org/museum/the-collection/oral-histories/charles-e-higdon.html>.
43. Isserman, *Which Side Were You On?*, 182–83.
44. Healey, *California Red*, 131.
45. Coordinator of Information, "Preliminary Analysis of Elements of Insecurity in Ecuador," 1, 14.