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VIA AIR POUCH

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CLASSIFICATION

DISPATCH NO. []

TO : []
FROM : []
SUBJECT: General - Political Action, []
 Specific - Debriefings of []
REF: []

DATE: 5 APRIL 1954

INFO: CHIEF, []
 Conversations. []

THIS DOCUMENT HAS BEEN APPROVED
FOR RELEASE AS SANITIZED, BY
GSE/HKG ON 5/16/95

1. Attached hereto is the debriefing of [] as dictated by [] following the fourteenth (14th) [] meeting.
2. It would appear [] is speculating about the identity of the people behind [] and, it is believed, was attempting to "smoke out" [] by his remarks of Para 1 which, it is understood, [] successfully parried.
3. Both [] and [] are convinced a meeting must be arranged shortly between the purported top leaders of [] and [] whether or not the latter's efforts are to be utilized or merely neutralized, in order to relieve the pressure on their situation. (See [] They state [] is no fool and they firmly believe his organization has the means and the capacity to deal [] a most serious blow if [] should become suspicious [] had violated his confidence and mislead him. It will be remembered [] had given such assurances of financial and material support, to convince [] of the sincerity and capabilities of the [] that would insure his full support. (See [])
4. Again the Station feels compelled to recommend adamantly a meeting between [] and purported top leaders or leader of [] (See [] Para 6) in order to:
 - A. Prevent the loss of services of, and unjust retaliation against, [] and possibly [] himself; and to
 - B. Achieve a contractual control over [] Currently no effective control exists.

5 April 1954

DISTRIBUTION: See attached sheet

2- Washington
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INCLOSURES:

1. Debriefings, [] meetings, 3 pages.
2. Photostats; Expense Report, 2 pages.

DISTRIBUTION:

2. [] w/encls 1 and 2 in duplicate.
- 1-Washington w/encls 1 and 2 in single copy.
- 2-Files w/encls 1 and 2 in single copy.

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Debriefing of [] by []

In re [] meeting of Saturday, 27 March 1954 (11th meeting).

1. [] stated the request for a detailed accounting and the repetition of typical American questions made him confident he knew precisely with whom he was dealing. He said such requests and questions could come from only one source. [] then produced the attached expense report in compliance with our previous request. The report submitted earlier was only produced from memory by [] at the request of []. As a result of the request for an accounting and because we finally did produce additional financial aid instead of just eliciting information from [], he has changed his mind and plans regarding our previously offered support. He had decided previously the support would be inadequate and ineffective. The delay reminded him of his very first contact with [] when [] in Guatemala was driven under cover and in hiding. His wife flew to Salvador and asked [] for aid and assistance. [] assured her of the cooperation [] would require and told [] wife to return to Guatemala with the message that [] was to energize his organization and he, [] would give [] \$100,000 as a first payment of \$500,000. However, when [] was ready for the money and sent his wife back to Salvador for it, [] stalled and delayed. [] finally received nothing and the activities of his organization came to a pitiful halt. Hence after the last meeting (13th meeting) with [] and receipt of additional funds [] revised his plans to go to Guatemala this week-end to call off the entire operation and put his organization again underground. Unless he were to go personally, his followers would not believe such an order from any other source. They would believe it to be a double cross. Once started, the movement is extremely difficult, if not impossible, to stop.

2. [] does not understand [] warning regarding [] [] It was [] who previously warned us about this man. [] contacted [] to learn whether [] had any plans to move against ARBENZ. [] stated that he had no plans whatsoever. In the past there had been too many failures and he was placing his entire faith in the Caracas Conference. [] then left Salvador to visit CALLIGERIS. He asked [] for money and offered his services. When refused, he proceeded to Honduras to make the same request of CALLIGERIS.

3. [] spy [] heard a conversation between the Guatemalan Military Attache and [] [] told the Military Attache that CALLIGERIS would come into Salvador by way of Ocoatepeque on the 24th of March. On that date the Guatemalan Military Attache went to the place and observed a station wagon coming into the country with a relative of VILANOVA and another person, who was not recognized by the Guatemalan Military Attache. (Station note: The wife of President ARBENZ is a member of the VILANOVA family.) [] stated a possible CALLIGERIS/VILANOVA/ARBENZ connection must not be ignored.

7. Regarding the Junta which [] believes should be installed between the time ARBENZ is overthrown and the first elections; The Junta should be composed of two civilians and one military man. The two civilians should not be prominent, powerful people because such people would be difficult to deal with later and possibly refuse to step aside after the Junta has served its purpose. However they should be persons who are very fervent patriots and extremely loyal. [] suggests:

- A. [] Brother of Colonel []
- B. [] a rancher (finquero) and a self-made man living in Guatemala City. [] hasn't made up his mind completely whether [] is the best man or not but currently it would appear that he is.
- C. If a confirmed capitalist were put in so soon after the overthrow of the present Government, the people might well feel they were back in the hands of the capitalists and sold down the river.
- D. If [] should not meet the test then [] believes the candidate should be [], a self-made industrialist in whom the lower classes have complete confidence.
- E. The military man would have to be the person who most proved himself in the campaign against ARBENZ. The country would expect this and be solidly behind him.

8. Regarding Barrios PENA: [] has not informed him of his activities because, although Barrios PENA is a very capable military man who planned and executed the change in the Guatemalan Military Organization from the Spanish to the Anglo-Saxon system, and a completely honest capable officer, such as also is PERALTA, he is not a clever politician and tends to be boastful of his connections---such as his association with Senator []. He could be well used in a military position but not in a political position.

9. [] states a very loyal man, Capitan ZAPETA, now stationed in Quiche, just sent [] the name of Colonel ARDONEZ, who is in the Guardia de Honor at the Military Base in Guatemala City. ARDONEZ has obtained the allegiance of Colonel Francisco CRUZ, Commander of the Military Base of Juliapa.

10. Regarding the reported rumor that [] is giving orders to CALLIGERIS, [] states that he knows absolutely nothing about this. He has absolutely nothing more to add regarding his relationship with CALLIGERIS except the following: [] has just received a letter from an extremely good friend of his in Caracas by the name of [] who is the owner of the [] Hotel in Caracas. The letter states that CALLIGERIS was there with 15 associates and followers, which is, incidently, a larger traveling retinue than allowed Guillermo TORRELLA. They were well supplied with money and were spending it most liberally.

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