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FN 47

1A: COURIER
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DISPATCH NO. A

~~SECRET~~ SUCCESS RYBAT
CLASSIFICATION

JUN 11 1954

TO : LINCOLN
FROM : Chief of Station, Guatemala
SUBJECT: GENERAL— K-Program
SPECIFIC— ()

DATE: _____

INFO: Chief, WHD

Attached herewith is a report prepared by ()

()

Attachment: report (2 pages)

10 June 1954

()

Distribution:
2-Linc w/att
2-Wash w/att
1-Files w/att

~~SECRET~~ SUCCESS RYBAT

~~Secret~~

9 June 1954

K-Program

Subject:

()

1. This memorandum covers the highlights of a meeting between () and () on 9 June 1954 insofar as they have not been communicated to you () dated 9 June 1954.

2. In his talk with () suggested that the weakness of the Mexican Peso may be a direct result of the position taken by the Mexican delegation during the Caracas Conference. The reduction in tourist travel and business retrenchments on the part of United States firms could conceivably be put down to the same cause. () lapped this up and wanted to know whether this was a result of () study of the subject matter or an off the cuff opinion. He further asked () whether he would support him () meeting in case he should decide to bring up the subject. () declined.

3. () is of the opinion that () approach was honest and devoid of ulterior motive. He kept the conversation with () alive because he considers him a suitable tool for creating defeatism in the minds of important people.

FIELD COMMENT: It occurred to me that it might be a profitable venture for Lincoln to put out a factual newsletter, providing leading Guatemalan personalities with the raw material from which they can extract their own assessment of the situation. What with news censorship just around the corner and with the confiscation of American newspapers and magazines only a matter of time such a newsletter may, by a process of elimination, become the only dependable news medium in Guatemala City safe Sherwood.

4. () admitted frankly that () would detract from the prestige of any operation. However, "sometimes you have to use people, sometimes such things are necessary.

5. () believes that the regime can cope with him only in the following two manners:

a. they can offer him a foreign post. He feels that this may actually be under consideration and that, given a continuation of the present course of events, the offer may be made in a month or so.

b. they can have him rubbed out. This would only be resorted to under conditions of an extraordinary emergency and only if the regime is sure that () is engaging in activities to its detriment. The job would probably be done by some communist group.

6. Regarding his behavior, () pointed out that he will continue to act as he always has. Any deviation from his normal behavior would arouse suspicion. He cannot afford to dissimulate his anticommunist leanings in conversation.

7. On Monday 7 June () received a visit from () (alias "el Loco"). There is nothing crazy about him. He is a brave type, large in build. This man comes to see () about once a year. () is wondering whether his visit had any motives ulterior of discussing his problems in connection with land he had recently acquired. Referring to newspaper reports, alleging the arrest of () id () expressed

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relief to meet () a free man.

FIELD COMMENT: Request traces (incl ()).

8. On Tuesday 8 June, () who works at the Ministry of Defense came to see () He too is an infrequent visitor. Their conversation was inconsequential. Altho he is a habitual drinker, he declined a drink offered him by ()

FIELD COMMENT: Request traces (incl ())

9. () and () had a short talk about the advisability of naked United States intervention in Guatemala. () opined that hemispheric solidarity might suffer adversely. (He qualified this remark by adding that he actually lacked the necessary background to discuss the problem intelligently). He agreed that the consejo's procedure is a very good one inasmuch as it makes it obvious that the United States is intervening, yet not in a manner jeopardizing "hemispheric solidarity".

10. () asked () for more information on the stepping up of the consejo's activities. () "I had no answer for him".

11. () advised () that he has destroyed all papers which could be considered compromising. () asked () to make sure that his name is kept out of reports because any leak might alert () as to x the identity of the source.

12. () and () signed a notional contract over 10,000 coffee trees. A copy of this contract will be send forward in the 11 June pouch.

13. () the understanding being that this money will be applied to the purchase of a private motor vehicle. This will obviate future visits by () to the residence of (). Thus far () had to drive in his own car to () residence, pick him up, take him to his own residence and afterwards again deposit him at his residence. The hazards involved will be materially reduced once () is able to drive his own private car (he only has an official car with a two digit government license plate) to the meeting place. ()

14. The next meeting is scheduled tentatively for 16 June, the day after return from his trip to the United States.

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