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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

GUATEMALA AFTER THE MILITARY SHAKE-UP

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
13 May 1968

INTELLIGENCE MEMORANDUM

Guatemala After the Military Shake-Up

Summary

President Mendez' sudden dismissal of three key military officers on 28 March 1968 has given the Guatemalan people a president in fact as well as in name for the first time in five years. The President was apparently motivated by a desire to end the bloody government-controlled counterterrorism that had racked the country for 16 months.

With his new-found power, Mendez may believe that he can begin to make much-needed socioeconomic reforms, but he will have a difficult time. Much of the military establishment has been alienated, and the wealthy conservative elements will watch his moves carefully. If they believe that Mendez is trying to curtail their power or is trying to change the status quo, they will not hesitate to take action against him.

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Current Intelligence and coordinated with the Office of Economic Research, the Office of National Estimates, and the Clandestine Services.

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Background

1. The growing penchant for drastic solutions by both the left (reformers and Communists) and the right (defenders of the status quo and active subversives) is dimming the already poor prospect for peaceful progress in Guatemala. The promise of constructive action implicit in the Revolutionary Party's assumption of the presidency in 1966 has soured to disillusionment. There is no longer hope that the first honestly elected government since 1951 can squash the Communist insurgency and at the same time move toward curing the national illnesses on which Communism feeds. The "fight fire with fire" philosophy inspired increased violence as anti-Communist terrorists fought Communist terrorists. A growing despair is indicated by the defection of some members of a religious organization and their followers (the Melville group), who admit no solution to the miserable poverty of most Guatemalans except by violent destruction of the prevailing order.

2. Bitterness between the right and left has been strong, especially since the 1944 revolution. Yet in the past, political action occurred with a mutual recognition that today's discredited exile may be tomorrow's president. With the return in 1966 to the brutal style of the mid-1950s, it may be difficult to put the genie of violence and re-creation back in their bottles.

3. The political situation makes it extremely difficult for any government, even in peaceful circumstances, to break down the barriers of backwardness. Almost half of Guatemala's five million people, the Indians, remain outside the money economy, a separate society apart from the effective national life. The literacy rate and other indicators of social progress are among the lowest in the hemisphere.

The Shake-Up

4. With one dramatic presidential move, on 28 March, the immediate circumstances of Guatemalan

politics changed radically. President Mendez relieved three key military men of their posts, and gave Guatemalans a president in fact as well as in name for the first time in five years. Guatemalans of all political shades have interpreted Mendez' assertion of authority as the end of the armed forces' constriction on civilian rule.

5. At Mendez' formal inauguration on 1 July 1966, the military caretaker government transferred little power to the elected government, retaining its free rein in anti-Communist counterinsurgency action.

6. Within a year the "counterinsurgent" program had degenerated into "counterterrorism." Military strategists armed and fielded various clandestine terrorist groups, including some 3,000 virulently anti-Communist civilians and elite corps of the armed forces and police. Their victims--1,000 to 4,000 by varying estimates--came to include labor organizers, a mixed bag of democratic leftists, and members of the President's party, as well as Communists and their collaborators. The daily spectre of mutilated bodies created an atmosphere of terror.

7. International attention focused on Guatemala's problem of Communist terror and anti-Communist terror when two members of the US military mission were assassinated by Communists in January 1968. The US press gave wide publicity to President Mendez' inaction and apparent captivity by the military while the public was terrorized by extremists on both sides.

8. Whether dismayed by his poor public image, or driven to political courage by the desperate need to end the bloodshed, or angered by some specific outrage such as the kidnaping of the archbishop, Mendez acted without warning and "exiled" those responsible for the counterterrorism by sending them to posts abroad.

The New Situation--What Mendez Has Gained and Lost

9. Mendez' military support has been diluted. Taken by surprise and unwilling to risk an open split in the armed forces, the "exiled" commanders have not protested. Although some retain significant personal following within the military and among the armed rightist civilians, they have so far resisted the urgings of these groups to retaliate. New commanders were immediately appointed, and all have pledged allegiance to Mendez.

10. The general overhaul of commands that followed the first personnel changes has left many key positions in the hands of second-rate officers who lack qualifications to maintain the pace of the army's regular counterinsurgency programs--far from a model of effectiveness even under the best of the military leadership. Most of the new officers have little experience in this realm, and signs of disaffection have already appeared within the military establishment. Army discipline has deteriorated. Many junior officers have voiced a lack of confidence in the new minister of defense and in some of their new commanders. The action and elite status of the clandestine counterterror campaign are now denied them. Young officers, an ever-restive group in the military, are already showing signs of rebellion.

11. The nearly 3,000 civilian commandos in the northeast are also concerned about their future under the government's new policy. With their "services" now undesirable, these bands are a potential threat to the government if it attempts to disband and disarm them.

12. Mendez has now regained the approval and support of political moderates and the non-Communist left. These groups had been embittered by the lack of forward motion in the depressed socioeconomic sphere and alienated by the uncontrolled counterterrorism. They are, however, not dynamic in the Guatemalan power structure and their support is not vital.

13. Mendez has revived the distrust of the rest of the political right (besides the military and paramilitary), which includes most monied individuals and groups. They believe that Mendez' termination of counterterror bespeaks a "deal" with the Communists or, at the least, a long step to the left by the administration. This group can be expected to encourage the military to oust Mendez.

14. Mendez may have provided the Communist insurgents with a new set of favorable options. They share with the right the desire that Mendez fall. They can continue their recent nonviolence in the hope that this will convince the right that Mendez has accommodated the left. Or, they can attempt to provoke a military take-over by resuming guerrilla-terrorist activity.

15. Since the command changes on 28 March, there has been little perceptible Communist activity. [REDACTED] the Communist guerrilla Rebel Armed Forces (about 200 active members) have been quiescent. They have been reorganizing for several months, and reports suggest that they plan to postpone major action for some time. Their leaders have recently stated their recognition of past mistakes, i.e., rushing into action without adequate preparation, and their intention to recoup the losses sustained under the counterinsurgency and terrorist campaigns. Their current plans call for sporadic action in Guatemala City to force the government to retain the state of alert or to raise it again to a stage of siege. Information available suggests a lessening of urgency among the guerrillas, based on the belief that they now have more time and freedom to reorganize. They can be expected to assess carefully the new political atmosphere and their own position, altered also by the separation from the Guatemalan Communist Party and the incorporation of Yon Sosa's moribund 13 November Movement.

16. The Communist Party has gone more deeply underground, presumably also to reconstitute its ranks and strength. It has years of experience at survival and retrenchment under adverse conditions.

Recent reports describe its continued commitment to armed revolution once its reorganization is complete.

The Outlook for Mendez

17. There are few moves Mendez can make now without upsetting the delicate balance. If he lasts until his term expires in 1970, he probably can make little significant progress except perhaps in invigorating the regular counterinsurgency program and holding down the extralegal portion of that campaign. This would have the double value of keeping the Communists on the run while reassuring Mendez' critics that he is not soft on the Communists. The fact that power in Guatemala resides with strictly conservative elements means that any government--and especially the suspect incumbent one--flirts with political disaster in pushing for even the most elemental progress and reform. Mendez' imposition of a general sales tax in January lasted for less than a week in the face of opposition from conservative business elements who control the economy.

18. The powerful forces newly antagonized by Mendez' unheralded and abrupt use of his official prerogatives will examine suspiciously the President's performance. The appeal by the new minister of defense that all citizens lay down their arms and work for national pacification is interpreted as an unwarranted--perhaps traitorous--accommodation of the left. Any further evidence (from their viewpoint) of the government's shift leftward will increase the likelihood of military intervention.

19. There is the danger that Mendez, buoyed by his successful move against the right, feels an illusion of power that will lead him to provoke that side further. One of the most perilous courses he might attempt, for example, would be to disarm the civilian counterterrorists.

20. The Mendez government has taken little action against the many social and economic ills, in part because of political problems but in large measure because slowing economic activity has cut back

government revenues. In addition, Mendez has not moved to use some \$70 million in available foreign assistance. In the best light, the government has been a do-nothing one.

21. Tact, delicacy, and a clear commitment to continue the fight against the guerrillas may immunize Mendez from succumbing to the continual conspiring that will surely ensue. Because violence has been adopted as a tactic by both sides, there is a greater possibility than in the past that a coup attempt would generate widespread disorder. If indeed the passivity of the general public has diminished, a future military regime aligned with defenders of the status quo may need harsh repressive measures to keep control.