

CIA HISTORICAL REVIEW PROGRAM
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2003

21 JAN 1954

MEMORANDUM FOR: DIRECTOR, CENTRAL INTELLIGENCE

SUBJECT: Guatemalan Visitors to the U.S.A. Seeking Contacts with Big Business, Financiers, U. S. Government Officials and Senators, including Senators Mundt and McCarthy.

1. Recent reports point up a considerable traffic of Guatemalans visiting the United States seeking contacts with business concerns, bankers, Government officials and certain Congressional figures. Depending upon the allegiance of these travellers the purpose of their visits is to launch substantial business deals and/or deals having a military significance for the Guatemalan Government, or to promote financial aid and other support for movements and organizations actually or allegedly opposing the Arbenz Government.

2. The WH Division is watching this situation closely and endeavors to (a) take counter-measures to block business transactions and financial aid that might benefit the Government of Guatemala, and (b) check and exploit visitors that appear to represent opposition efforts.

Whenever possible, WHD tries to take steps to bring such independent opposition activities under some sort of preliminary control by aligning them directly or indirectly with the course of action governing the PBSUCCESS operation. This is being done primarily in cooperation with the two indigenous principal agents (RUFUS and [redacted]).

3. Of particular interest are reports covering the visits of two anti-Communist Guatemalans, ARENAS and OCANA, who visited together in the United States during December and January.

ARENAS is a Guatemalan anti-Communist congressman who defeated the Communist candidate in his district of Guatemala City not long ago.

OCANA is known as a leading official of the Partido de Unificacion Anticomunista (PUA), a political party that claims an active membership of 1500, headquartered in Guatemala City and reportedly supported by the Catholic Church, the Asocacion General de Agricultores (AGA) and various professional and educational organizations.

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Both men have personal affiliations with the U.S. ARENAS has three sons attending school in this country, and OCANA's daughter is married to an American lawyer residing in South Dakota.

4. On their way from Guatemala to Washington, these two men visited principal agent [] (of PBSUCCESS) in [] indicating to him that their anti-Communist organization was gathering momentum due to current trends of unrest within Guatemala. They told [] that they were going to Washington to promote general support and possibly financial aid through contacts with State Department officials and various Senators including Sen. Karl Mundt (R-S.Dak), a personal friend of ARENAS.

It appears that [] advised ARENAS and OCANA in general terms "not to become involved with official contacts in Washington as general plans were well underway and their (ARENAS' and OCANA's) action would only jeopardize the whole deal."

Furthermore, [] is said to have urged the two men "to organize quietly and by all means be patient."

(NOTE: Although PBSUCCESS in principle is interested in the PUA, this potential asset has not yet been firmly included in the structure of PBSUCCESS operations. The PBSUCCESS Operations Base is currently checking into the ARENAS/OCANA (PUA) setup and will have a firm position regarding this issue after a joint meeting with RUFUS and [] scheduled for 26 January 1954. There is a possibility that the PUA unwittingly has received some strictly preliminary and indirect aid on a very limited scale from RUFUS and [] during the early stages of PBSUCCESS. This is being checked.)

5. In Washington, ARENAS and OCANA had a number of conversations with Mr. Ray Leddy at the State Department. According to Leddy, they came to discuss the position of their Party, Partido de Unificacion Anticomunista (PUA), and to request U.S. assistance. Their idea of aid was \$500,000 to finance expansion of their organization, launch anti-Communist demonstrations and to procure some arms.

ARENAS and OCANA were told by Mr. Leddy that although there currently is considerable sympathy for their cause within the United States, the U.S. Government is in no position to extend any promises or make any commitments relative to positive aid to the PUA, financial or otherwise. In this connection, Leddy indicated that he was aware of a keen interest in all anti-Communist opposition within Guatemala on the part of many private parties in North America.

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Altogether, Leddy had a half dozen meetings with ARENAS and OCANA at the State Department during which he learned that they intended to make certain contacts on Capitol Hill (Senator Mundt and others unnamed) prior to their return to Guatemala.

6. After ARENAS returned to Guatemala City to attend the opening of the Guatemalan Congress on 6 January 1954, cables from our Guatemala station and the PBSUCCESS Operations Base at LINCOLN (GUAT 987, IN 49965, and SLINC 159, IN 10013) reported that while in Washington ARENAS contacted his friend Sen. Karl Mundt who referred him to Sen. McCarthy.

According to said reports, ARENAS talked "in detail" — (presumably informing Sen. McCarthy of his conferences at the State Department referred to in the above). Reportedly McCarthy was interested but, so far as we know, offered no tangible support.

The cable from Guatemala City specifically emphasizes that ARENAS had a meeting with U.S. Embassy Councillor KRIEG on 15 January 1954 in Guatemala City informing him that he (ARENAS) had talked with Leddy (State) in great detail, with Sen. McCarthy in detail and others (unnamed).

ARENAS furthermore informed KRIEG that he had at his disposal \$500,000 in the U.S. which he needed to have transferred to Guatemala to support anti-Communist activities of the PUA. He said that the PUA effort would be activated in February before the Caracas conference of the OAS scheduled for 1 March 1954.

ARENAS further said that OCANA had remained in the United States to tie up details and that he (ARENAS) planned to leave on 22 January 1954 to visit Venezuela, Nicaragua, Honduras and El Salvador on behalf of the PUA movement.

7. The ARENAS/OCANA moves in effect represent one of a number of Guatemalan anti-government interests that merit close scrutiny relative to the PBSUCCESS operation. On their own, these various individual efforts might jeopardize the systematic build-up of PBSUCCESS and cause considerable damage to that operation by generating premature action which could cause the main effort to abort.

By the same token, it is obvious that the PBSUCCESS effort could be seriously jeopardized in the absence of complete coordination within all elements of the U.S. Government in Washington.

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The ARENAS/OCANA contacts with Senators Mundt and McCarthy could conceivably cause unintended confusion and damage to the existing over-all plan.

Whereas investigations concerning this issue are proceeding, and we cannot presently be sure of the source of ARENAS' alleged \$500,000 mentioned in the above, it appears possible that substantial sums of money could be made available through Sen. McCarthy for individual anti-Communist indigenous operations in Guatemala.

If it is ascertained that such unilateral dealings are in fact going on, it is possible that some high-level intervention and coordination might be called for.

Meanwhile, no action vis-a-vis the Senators involved seems necessary—even though certain individuals in State have expressed concern lest reports of State Department refusals to provide assistance to Central American anti-Communists coming to the attention of the Senators in question may provoke public denunciations or even more direct action against the State Department spokesman.

FRANK G. WISNER
Deputy Director (Plans)

C-PP/Ops/H.V.Tofte:mgd
21 January 1954

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