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DISPATCH NO. HUL-A- 646

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5 MAY 1954

DATE _____

TO PBSUCCESS Headquarters

FROM LINCOLN

SUBJECT { GENERAL Nicarguan Matters
SPECIFIC Position of Anastasio SOMOZA

REF: DIR 48933, 1 May 1954

There is attached a memorandum prepared for the Chief of Project outlining relation between Costa Rica and Nicaragua and analyzing the present position of SOMOZA with reference to PBSUCCESS.

[]
JEROME S. DUNBAR

[]
WV Vincent/d

14 May 1954

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3 May 1954

MEMORANDUM TO: D/P
FROM : C/FI
SUBJECT : SOMOZA Plans Re Costa Rica

1. During the past few days Costa Rican officials have shown an increasing amount of apprehension concerning activities in Nicaragua. This feeling of mutual suspicion dates back to the days in 1947 when Jose FIGUERES decided to take affairs in his own hands and see that the will of the people was respected. It is fairly clear Otilio ULATE defeated Teodoro PICADO, a puppet of Rafael CALDERON Guardia, in the elections of 1946, but PICADO decided to take office anyway. FIGUERES organized a group of ranchers in the hills and, aided by sympathizers from Nicaragua, Guatemala, Honduras and the Dominican Republic, he marched on the capital and deposed PICADO. FIGUERES remained as chief of state until 1949 when he turned the government over to ULATE. The latter was then elected for a four year term in 1950. FIGUERES was elected in 1954.

2. SOMOZA and FIGUERES have always disliked each other intensely. Ideologically the two are far apart, and personal matters are also involved. It is understood that SOMOZA had a lucrative but illegal cattle business with CALDERON, which he lost when the latter was expelled from Costa Rica. FIGUERES was on friendly terms with the "liberal" governments of Central America and the Caribbean, or Guatemala, Mexico, and the former PRIO regime in Cuba. SOMOZA feared the capabilities of this group, as he naturally felt that Nicaragua was more or less hemmed in, particularly if El Salvador, whose position was always uncertain, should side with the "liberal" nations. SOMOZA was supported by Honduras, the Dominican Republic, Venezuela, and Panama, to some extent. FIGUERES welcomed exiles from the dictator countries, and this further irked SOMOZA.

3. In the summer of 1948 there was a border clash between Costa Rica and Nicaragua. Troops of both countries crossed the frontier, but it appeared fairly definite that Costa Rica, or a group of exiles supported by FIGUERES, made the first move. The OAS was immediately called in and a commission was sent to patrol the border. SOMOZA was angry and said on several occasions that if FIGUERES wanted to start something, the Guardia Nacional would be in San Jose within 24 hours. During the next few years there was constant friction between the two countries. Nicaraguan exiles and the Conservative Party plotted regularly to overthrow SOMOZA. The latter has always been on the alert for any invasion from Costa Rica,

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but there are few indications that he ever considered an attack on that country. He did give support to CALDERON and PICADO, and many reports were received that Costa Rican exiles attempted to regain control of their country through the purchase of arms and the active backing of the Guardia Nacional. Certainly SOMOZA did not do much to discourage their activities. PICADO was given a government job by SOMOZA and he was always close to Nicaraguan officials.

4. This was the situation when PBSUCCESS started operations. Early in April 1954 an attempt was made to overthrow SOMOZA, and the plotters, chiefly Nicaraguan Conservatives, based their operations in Costa Rica. Arms were brought across Lake Nicaragua from points near the frontier and then on to Managua. SOMOZA knows that this movement received support from FIGUERES, and the latter is undoubtedly afraid now that the Guardia Nacional will move against Costa Rica in line with the many threats which SOMOZA has made. Costa Rica has evidence that troops are being trained in Nicaragua. One site is supposedly at Tipitapa [] and this location is connected by a river to Lake Nicaragua and thence to Costa Rica by an all-water route. It is believed that FIGUERES sincerely fears SOMOZA's moves. The fact that Francisco CALDERON Guardia, the brother of Rafael, has reportedly been seen at training areas in Nicaragua has done nothing to allay these suspicions.

5. The possibility certainly exists that SOMOZA may be planning to use PBSUCCESS as a cloak for a move against Costa Rica, but this appears highly unlikely. In the opinion of [] SOMOZA has no such intention. Allegedly he would take no action which might risk offending the United States. In a recent conversation SOMOZA stated that Costa Rica should be grateful for the Mutual Aid treaty between the States and Nicaragua inasmuch as now he cannot make a move against Costa Rica. []

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His policy has always been to be ready to repel any attack. However, he probably would agree to support on a material basis any move directed against FIGUERES, which would apparently originate within Costa Rica itself.

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Analysis of SOMOZA Plans Re Costa Rican Situation

RE: HOLA 646

1.
 - a. The key paragraph in the G/FI memo of 3 May is the last one. It says in effect that although the possibility exists, it is highly unlikely that SOMOZA may be planning to use PBSUCCESS as a cloak for a move against Costa Rica.
 - b. With this conclusion I fully agree even to the point of making it stronger—I would say that under the present circumstances, SOMOZA has so much to gain from not taking any action against Costa Rica, and so much to lose if he should take such action, that he will not undertake such action for the present.
 - c. Some of the things he has to gain by not taking action are (a) continued blessing of the US; (b) not having to make good on his boasts against FIGUERES but still having the ability to talk big and gain some internal political benefit therefrom. In fact, it seems highly probable that the noise that SOMOZA makes in the direction of Costa Rica is mostly for internal political reasons.
 - d. Conclusion: Since it is improbable that SOMOZA is planning to use PBSUCCESS as a cloak for a move against Costa Rica, it appears that there is little current danger to PBSUCCESS from SOMOZA on this score.
2.
 - a. With regard to the Costa Rican fears of SOMOZA—they have considerable reason to be frightened. They know that they have provoked SOMOZA by encouraging a plot against him recently. They know that SOMOZA is threatening FIGUERES in public statements. They probably know of troops training in Nicaragua. In this situation the question arises as to whether it would be useful to calm Costa Rican qualms about SOMOZA, and if so what would be the best way to calm them.
 - b. Conclusion: It seems possible that Costa Rican fears might be used to some advantage of PBSUCCESS. These fears might be used as a peg to get some kind of cooperation out of Costa Rica in return for some kind of a promise or guarantee of Costa Rican safety in the face of invasion from Nicaragua. [

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