

(CIA HISTORICAL REVIEW PROGRAM)
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MEMORANDUM

SUBJECT: CIA's Role in the Overthrow of Arbenz

In August 1953, the Operations Coordinating Board directed CIA to assume responsibility for operations against the Arbenz regime. Appropriate authorization was issued to permit close and prompt cooperation with the Departments of Defense, State and other Government agencies in order to support the Agency in this task. The plan of operations called for cutting off military aid to Guatemala, increasing aid to its neighbors, exerting diplomatic and economic pressure against Arbenz and attempts to subvert and or defect Army and political leaders, broad scale psychological warfare and paramilitary actions. During the period August through December 1953 a CIA staff was assembled and operational plans were prepared.

Following are the specific operational mechanisms utilized by the Agency in the overall missions against the Arbenz government:

a. Paramilitary Operations. Approximately 85 members of the CASTILLO Armas group received training in Nicaragua. Thirty were trained in sabotage, six as shock troop leaders and 20 others as support-type personnel. Eighty-nine tons of equipment were prepared. The support of this operation was staged inside the borders of Honduras and Nicaragua [

There were an estimated 260 men in Honduras and El Salvador for use as shock troops and specialists, outside of the training personnel that had been sent to Nicaragua.

b. Air Operations. The planning for providing air operational support was broken down into three phases; i.e. the initial stockpiling of equipment; the delivering of equipment to advance bases by black flight; and the aerial resupply of troops in the field. Thirty days prior to D-day, a fourth phase, fighter support, was initiated. There were approximately 80 missions flown during the 14-29 June 1954 period, by various type aircraft such as C-47's, F-47's and Cessnas which were used to discharge cargo, distribute propaganda and for strafing and bombing missions.

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c. Clandestine Communications. A clandestine radio broadcasting station was established in Nicaragua. The purpose of these broadcasts was to intimidate members of the Communist Party and public officials who were sympathetic to the Communist cause. The radio station, prior to D-day, broadcasted programs on why they were on the air; dramatized examples of Communist tyranny; the ideologies and aims of the Liberation Movement and what effect was intended vis-a-vis each individual who was listening; an aggressive program outlining the activities which would ultimately bring down the Communist threat, etc.

d. Q Program. The objective was spreading responsibility for the operation throughout as many Latin American countries as possible in order to lessen the impact of United States participation.

e. Indigenous agent radio operator training program. This included 13 radio operators, including seven residents and six tactical, and one cryptographer who were trained in Nicaragua from 6 March - 9 June 1954.

One of the propaganda ploys was to fabricate reports of Soviet arms deliveries to Guatemala by submarine, and then arranging to have a CIA planted cache of Soviet arms discovered and publicized. The mythical arms deliveries were superseded by the real thing when a ship carrying 2,000 tons of Czech weapons and ammunition arrived. This shipment created an international furor and provided clinching proof of what had been the main CIA propaganda theme; that Guatemala under Arbenz had become a Soviet satellite.

The results of the operational efforts described above were positive, however key Guatemalan Army officers wanted either official assurance of U.S. Government support or an overt military incident which would demonstrate CASTILLO's power and determination. On 1 June the ARBENZ regime began a wave of arrests which obliterated CASTILLO's intelligence nets and action assets inside the country and on 8 June a 30-day suspension of all constitutional liberties was announced.

On 17-18 June five shock teams trained by the Agency crossed into Guatemala. The turning point came on 25 June when CASTILLO's forces repulsed a counterattack and later bombed a fortress in Guatemala City.

On 27 June ARBENZ resigned and turned the government over to another Communist, Carlos Enrique DIAZ, chief of the armed forces. Following the resignation the Chief of Station and another agency officer held a negotiating session with Guatemalan Army officers. The Agency representatives argued that Diaz was unacceptable [Following assurances from the U.S. Ambassador that MONZON was indeed the U.S. choice, those present agreed that MONZON would be the head of a junta. The agreement soon broke down when DIAZ doublecrossed MONZON by appointing him as Minister of Government while DIAZ retained his position. DIAZ caved in following bombings by F-47's.

Negotiations took place between CASTILLO and MONZON, President of the Junta, who agreed to accept CASTILLO as a member. In early July CASTILLO became President of the Junta with Major Enrique OLIVA and MONZON as the other two members.

The budget allocation for this activity was \$3,000,000 and the actual cost, less recoverable assets, was just under the original allocation.

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BACKGROUND

It was considered that Guatemala represented a serious threat to hemispheric solidarity and to U.S. security in the Caribbean area. Guatemala was ruled by anti-U.S. President Jacobo ARBENZ Guzman who was elected to office as a result of fraudulent elections in November 1950. ARBENZ was supported by a leftist coalition government, with all key positions below the cabinet level thoroughly controlled by a Communist-dominated bureaucracy. The country also maintained the balance of military power in Central America through the army of 7,000 men, the well-trained, hard-core element of which was stationed in Guatemala City. Because of this Communist influence and a hardening anti-U.S. policy, on the part of Guatemala, which was targeted directly against American interests in the country, the U.S. Government was forced to adopt a somewhat firmer attitude toward Guatemala. Based on NSC 144/1 and PSB policy guidance, the Agency placed top operational priority in an effort to reduce and possibly eliminate Communist power in Guatemala.

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BUDGET SUMMARY

Psychological Warfare and Political Action	\$ 270,000
Subversion	250,000
Intelligence Operations	150,000
Maintenance of present cadre (8 months)	160,000
Expansion of cadre to 500	60,000
Arms and Equipment	400,000
Operation of Nicaraguan training center	100,000
Support of internal organization (estimate)	150,000
Transportation, storage and travel (estimate)	85,000
Transport Aircraft and maintenance	800,000
Current liabilities	10,000
Contingencies	<u>565,000</u>
	<u>\$3,000,000.</u>

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