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OUTLINE OF POSITIONS ON POSSIBLE DEVELOPMENTS IN GUATEMALA

1. The contingency most to be desired is that within the next few weeks the Arbenz regime will be overthrown in a clean, quick, military coup lead-*ed* either by [ ] from within, or Armas from without, or carried out in close cooperation between them. In this event there will be relatively little violence, the revolution will be over before there is time for the United States to furnish any overt assistance, except perhaps through political moves. The most important actions the United States should be prepared to take would appear to be the following:

a. Just as soon as it appears that the Arbenz regime has been overthrown and is to be replaced by a new one, the Secretary of State will presumably wish to express his satisfaction at the revolt against communism and his readiness to recognize a new government if it gives evidence of being able to restore order and to conduct a responsible and democratic administration.

b. There will be no urgent need for military aid but the United States would presumably express its willingness to furnish such assistance if desired.

c. On the economic front, there is little that would need to be done except to promise a continuation and perhaps an expansion of the technical assistance program and perhaps to offer some form of help if there has been much destruction of property.

d. Perhaps the most important move the United States could make both to strengthen the new regime and to attack the root causes of unrest in the area would be, in suitable manner, to begin to dissociate itself from the appearance of too close an alliance with the fruit company. This operation requires some

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urgent planning and preparation. As a first step in planning, the agencies concerned should concert their views as to the evolution in the fruit company's position that would best serve the U.S. national interest. Presumably, in so doing they would review the practices and positions of some of the corporations that have been notably successful in doing business in Latin America without either the actuality or the appearance of wholly foreign ownership or of monopolistic control over the economies of whole countries. The next step might well be a private approach to the fruit company. A third might be the development of a public posture which the government could assume without disastrously and improperly undermining the position of the fruit company in northern Latin America while at the same time suggesting the desirability of evolutionary changes in the company's relationships with Latin American governments and peoples. Although what is here proposed is in effect the development of a new policy for the long run, these steps acquire real urgency from the unrest evident throughout Central America and from the prospect of having to help a new regime to adopt a sensible but independent and self-respecting policy.

2. Much the more troublesome contingencies arise out of the possibility that a rebellion will be attempted but will be only partly successful. The rebels might after the first day or so hold Guatemala City and one or two outlying garrisons but be menaced by pro-Arbenz forces as strong as or stronger than their own. Alternatively, they might hold a strip of territory centered on Jacopa along the southeast border of the country next to Honduras with perhaps an isolated garrison in the north. As a third but least possible alternative they might hold Puerto Barrios and most of the territory along the railroad up to Zokopa about half way to the capitol. More important than the territory they had seized would be the relative strength and dependability of the opposing forces. Possible courses of action can be considered on the assumptions:

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- a. That the rebel forces are plainly and greatly inferior and
  - b. That they are equal or have at least a slight superiority and therefore a good chance of winning the whole country given time and support.
3. On assumption a, the pessimistic assumption, it would seem to be a major error for the United States to extend immediate political recognition and follow this out with large scale overt support. Such a course of action would be recognized perfectly clearly by most Latin Americans, as a form of intervention. The example of the revolution of Panama from Columbia, always alleged to have been instigated by the United States as a means of obtaining the Panama Canal Zone, is all too familiar in Latin America. It would be reasoned that, if every abortive coup can be used by the United States as a basis for intervention, then the doctrine of non-intervention is meaningless. Even if this course of action were ruled out, however, there are certain, mainly covert, steps which might be attempted.
- a. As long as it seems desirable to attempt to prolong resistance, the rebels could be covertly supplied with funds and equipment by air drops.
  - b. The attempt might well be made to induce the rebels not to hold out until they had<sup>been</sup> suppressed in bitter fighting but to hide their arms, prepare to go under ground and perhaps to liquidate a few key communists leaders, but to minimize conflicts with the army.
  - c. The rebel aircraft might be used to evacuate most of the leadership. And, if the temporarily held territory were contiguous to Honduras it might be feasible to evacuate sizeable rebel forces, perhaps in an attempt to provoke a Guatemalan invasion of Honduras.
  - d. Depending upon the outcome of b. and c., decisions could be made as to the advisability of attempting covertly to organize a really effective resistance movement and to mount at a later date a large scale para-military operation from an external base.

~~TOP SECRET~~

~~TOP SECRET~~

-4-

e. If the unfavorable outcome here assumed appears to be materializing it will be of the utmost importance for propaganda purposes to represent the whole episode as a desperate, largely unplanned reaction to a brutal reign of terror instituted by Arbenz as a step in the conversion of a communist infiltrated coalition government into an out-and-out communist dictatorship. If this effort is sufficiently successful, it could pave the way for desired action at the OAS conference and could provide the basis for external sanctions against Guatemala. (The chances of this degree of success are not, however, considered great.)

4. Even under assumption b. above, the most optimistic assumption, the advisability of recognition by the United States of a revolutionary regime that had not yet established even reasonably effective control over the country would be questionable. But on the political front there would be ample opportunity for more informal expressions of U.S. approval. These should, however, be sufficiently temperate so as not to prejudice the rebels in the eyes of their countrymen. If recognition were still withheld overt U.S. military or economic assistance would also be ruled out. A number of actions would, however, appear to be urgently called for to maximize the chances of ultimate success.

a. Although excessive vigorous public support by the United States might be actually damaging, strong private political assurances could appropriately be made to the leaders to stiffen their resolution.

b. What would be a very great value, however, under the circumstances here assumed would be the prompt recognition of the rebel regime by the three friendly neighboring countries, and perhaps, the extension to it by them of various kinds of overt assistance. Such a move would not only help to bolster the regime and pave the way for subsequent U.S. recognition but make it easier to provide the rebels with additional assistance. Quite possible, official though private assurances of U.S. support would be required by Somoza, Galvez, and Gorrío to

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-5-

induce them to support a still unconsolidated regime.

c. Still in the political field, it might well be desirable for the principal political figure among the rebels to make some statement about the relationship of his country to the fruit company and the United States which would establish the movement as a truly indigenous one in the eyes of the Guatemalan citizens.

d. Preparations should be made clearly to step up the scale of covert financial and military assistance. Since the situation here assumed is one in which an airlift would be possible to securely held airstrips, there should be no physical barrier to the movement of a sizeable tonnage of military supplies if these could be used. The need might well arise, too, for the airlift of outlying groups of rebels to the principal area of conflict. At this state, the question would arise acutely of the propriety of using rebel military aircraft against ground forces.

5. In connection with the three contingencies discussed above, and with others as well, the decision should be made as to the circumstances, if any, which would justify intervention in Guatemala with U.S. armed forces. Presumably such intervention for the express purpose of helping a rebel regime against Arbenz and his followers would be unconceivable under any circumstances. In the event of a quick and successful coup it would be unnecessary. And if the outcome of a revolt were hanging in the balance, any direct military action by the United States in support of one side would be regarded as the most blatant sort of intervention and could be expected to be condemned not only by every government in Latin America but by most non-communists in the rest of the world as well. Clearly, then such military action could be justified only for the purpose of saving American lives and, perhaps, American property, though the case

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for the use of troops to protect American property would be extremely weak. On this basis, the policy regarding armed intervention might be summarized as follows:

a. Such intervention would be undertaken only if circumstances can plausibly be said to exist which threaten the safety of American nationals and/or of other foreign nationals in Guatemala and which would be undertaken ostensibly for the sole purpose of protecting such individuals and evacuating them.

b. In form, the intervention would consist of the landing by air of what would amount to a much enlarged embassy guard, and perhaps the landing of detachments at other airfields. The mission in each case would be the evacuation of Americans and perhaps other foreign nationals, presumably to be followed by the withdrawal of the U.S. forces themselves.

c. If this mission were undertaken under the circumstances assumed in paragraphs 3 and 4 above, the opportunity would certainly exist for influencing the outcome of the internal struggle. If the rebels had demonstrated sufficient strength in their own right to put the outcome of the internal struggle at least in the balance, it would probably be desirable to exploit any opportunity to favor the rebels that would not involve the visible overt employment of U.S. forces in military action on their behalf. The sorts of actions by U.S. forces that might be appropriate within this limitation would be: The facilitating or denial of the use of airports, airlifts and other transportation; the furnishing or denial of supplies or of the services of utilities to particular installations or military units; the furnishing or denial of communications services, etc.

d. In such a situation the U.S. military forces would require skillful and authoritative political guidance on the support. The Ambassador would be quite capable of providing it. It might be well, therefore to conclude in advance arrangements whereby he would have effective liaison with the military commander

and especially would have authority to determine what actions, positive or negative, U.S. forces should take in support of or in opposition to any faction or regime in Guatemala.