


MEMORANDUM FOR: Mr. Houston

For your visit with Ambassador Eisenhower, one of President Eisenhower's books is slightly involved. In the AP appeal to the CIA Committee of 21 August (which is in the packet of papers you have), but not in the appeal to the ICRC, the AP supports its request in part on the fact that President Eisenhower devoted some pages of his book Mandate for Change to the Guatemalan matter. Copies of the pages are attached. I think the treatment of the matter given by President Eisenhower does not support the AP request. It does not reveal sources and methods.

  
11/3/72 (DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

NOTE ATTACHED TO MANDATE FOR CHANGE 1953-1956

*The White House Years*

MANDATE  
FOR CHANGE

1953-1956

*Dwight D. Eisenhower*



DOUBLEDAY & COMPANY, INC., GARDEN CITY, NEW YORK

1963

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A region of the world of vital importance to the United States is Latin America, a vast area of undeveloped resources, whose weight in the scales of the balance of power has become steadily more important.

We like to think of Latin America as nearby, in our own back yard, so to speak. In fact, most of it, particularly the large nations of Argentina, Brazil, and Chile, is actually a great distance from the United States. Indeed, Argentina and those portions of Brazil south of the Cape of São Roque are farther by water from the United States than they are from Europe. But distance is only one factor in our relations with these nations. Far more significant is the fact that we both have a tradition of independence and that we both, though separate from Europe, have an inheritance of Western religion and culture.

Nevertheless, from time to time, in fact to an extent all the time, our sister republics to the south feel that the United States pays too little attention to them and their problems. Perhaps, in part, this feeling is justified. Certainly after World War II, United States diplomacy was constantly preoccupied with European and Asian crises, any one of which could have resulted in serious conflict, whereas under normal circumstances it would not be expected that global war would break out as the result of problems in Latin America. Further, our shared ideals of freedom have sometimes led our diplomats to expect our sister republics to stand by us automatically on critical world issues, thus giving them a feeling of being taken for granted.

I was aware of this danger early in my administration and moved to prevent such a feeling from growing. The first state visit to Washington after I entered the White House was, as I have recorded, that of President Remón of Panama, and I had made a special point of attending the dedication of the Falcon Dam with President Ruiz Cortines of Mexico, when for the first time as President I set foot on the soil of another nation, our nearest Latin American neighbor.

But the most important effort to improve Latin-American relations was to recruit the services of my brother Milton, a dedicated diplomat with such exceptional capabilities that were it not for the accident of his being my brother, he would most certainly have been asked to occupy a high Cabinet position in my administration. From 1953 on, Milton served in a highly important capacity as my personal representative with the rank of special ambassador, in making numerous studies in Latin America, and reporting to me the feelings of the people south of the border. He persistently recommended measure after measure to improve our friendships,

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to establish, as I once wrote to him, "a healthy relationship" which will endure.

We all realized that the fundamental problems of Latin America—which stem from lack of capital; overdependence on the sale of primary commodities; severe maldistribution of wealth; illiteracy, and poverty—would take a long time for the nations themselves to correct even with all the outside help they deserved. No matter how much help we extended—and United States aid to Latin America increased markedly during the 1950s—we realized that we were going to run into difficulties in our relations with individual states before the day came when the major causes of those difficulties could be erased.

The first of these problems was waiting for me when I entered the White House. It involved Guatemala, a beautiful land of Central America whose mountains and moderate climate make it one of the garden spots of the hemisphere. The troubles had been long-standing, reaching back nine years to the Guatemalan revolution of 1944, which had resulted in the overthrow of the dictator General Jorge Ubico. Thereafter, the Communists busied themselves with agitating and with infiltrating labor unions, peasant organizations, and the press and radio. In 1950 a military officer, Jacobo Arbenz Guzmán, came to power and by his actions soon created the strong suspicion that he was merely a puppet manipulated by Communists.

The American republics wanted no Communist regime within their midst. They recognized that subversion by Communism was only another form of aggression, even more evil than that achieved by naked military force. However, in unstable regions where revolutions and rioting were not uncommon, where some governments were being maintained by dictatorial means, where resentments against the United States were sometimes nurtured by groups other than Communist cells, it was difficult to differentiate positively between Communist influence and uncontrolled and politically rebellious groups. For example, on February 24, 1953, the Arbenz government announced its intention, under an agrarian reform law, to seize about 225,000 acres of unused United Fruit Company land. The company lost its appeal to the Guatemalan Supreme Court to prevent this discriminatory and unfair seizure. (Of all lands expropriated, two thirds belonged to United Fruit. In return the company was to receive the woefully inadequate compensation of \$600,000 in long-term non-negotiable agrarian bonds.)

Expropriation in itself does not, of course, prove Communism; expropriation of oil and agricultural properties years before in Mexico had not been fostered by Communists.

Approximately six weeks after the announcement of the United Fruit Company land seizure, however, Guatemala withdrew from the five-nation Organization of Central American States, alleging aggression by Guatemala's neighbors. In this instance, the real reason was apparent: Guatemala could not risk participation in a debate on an anti-Communist resolution scheduled for presentation by El Salvador at a forthcoming meeting of the organization.

Arbenz denied that his government was Communist, a denial that was issued in a speech at a May Day celebration featuring seventy thousand marchers. But by the middle of October 1953, the Assistant Secretary of State for Inter-American Affairs, John Moors Cabot, said publicly that Guatemala was "openly playing the Communist game"; for example, it accepted the ridiculous Communist contention that the United States had conducted bacteriological warfare in Korea.

About that time a new ambassador, John E. Peurifoy, was appointed to Guatemala. He was familiar with the tactics of the Communists in Greece, where he had served. Peurifoy soon reached definite conclusions on the nature of the Arbenz government. Later he reported that he had discussed the Arbenz orientation with the Presidente himself within a month after his arrival at his new post. He described his discussion aptly:

In a six hour conversation he listened while I counted off the leading Communists in his regime, but he gave no ground; many notorious Reds he denied to be Communists; if they were, they were not dangerous; if dangerous, he could control them; if not controllable, he would round them up. He said, in any case, all our difficulties were due to the malpractices of American business. The trips of Communists to Russia were not to get training and instructions, he said, but merely to study Marxism, just in the same way as other Guatemalans may come to the United States to study economics. Meanwhile, they would continue to enjoy the full advantages accorded all Guatemalans, as they were valuable allies to him in the fight for social reform. . . . It seemed to me that the man thought like a Communist and talked like a Communist, and if not actually one, would do until one came along. I so reported to Secretary Dulles, who informed the President; and I expressed to them the view that unless the Communist influences in Guatemala were counteracted, Guatemala would within six months fall completely under Communist control.<sup>10</sup>

<sup>10</sup> On October 8, 1954, Mr. Peurifoy testified before the Subcommittee on Latin America of the House Select Committee on Communist Aggression as follows:

"It is my understanding, Mr. Chairman, that the purpose of your hearings is to determine:

"1. Whether or not the government of President Arbenz was controlled and dominated by Communists.

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Something has crystallized Latin America presented itself as a threat to the security of the United States in March of 1954. The draft resolution of a joint conference should not be presented by Foster Dulles, but by the President. It should succeed. On March 6 he declared that the United States against I

The draft resolution of international Communist intervention; please to protect their interests. He declared that the United States a "threat to the security of the United States, endangering national action in accordance with the provisions of data on Communist activities in each state to determine the nature of government and

On March 2, 1954, the draft resolution by a joint conference of Argentina and Mexico differed in only one respect: action to meet the threat of the adoption of

"2. Whether or not the government of President Arbenz was controlled and dominated by Communists.

"3. Whether or not the government of President Arbenz was controlled and dominated by Communists.

"4. Whether or not the government of President Arbenz was controlled and dominated by Communists.

"My answer to a question was:

"The Arbenz government was controlled and dominated by Communists. Those Communists were actively intervening in Guatemala to create disorder and a state of anarchy and a conspiracy in Guatemala to threaten the security of the United States.

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Something had to be done quickly. The first task was to marshal and crystallize Latin American public opinion on the issue. The opportunity presented itself at the Tenth Inter-American Conference of the Organization of the American States (OAS) which met in Caracas, Venezuela, in March of 1954. At that meeting the United States urged the adoption of a joint condemnation of Communism, contending vigorously that it should not be permitted to control any state in the Western Hemisphere. Foster Dulles, representing the United States, argued that if Communism should succeed to this extent, it should be treated as a threat to the peace. On March 6 he introduced a draft resolution of a "Declaration of Solidarity for the Preservation of the Political Integrity of the American States against International Communist Intervention."

The draft resolution was harsh. It was meant to be. It condemned international Communism in the Western Hemisphere as a type of foreign intervention; pledged the American states "to take the necessary measures to protect their political independence against" such intervention; declared that the "domination . . . of the political institutions of any American State by the International Communist movement" constituted a "threat to the sovereignty and political independence of the American States, endangered the peace of America, and would call for appropriate action in accordance with existing treaties." It also called for an exchange of data on Communist activity in each country and upheld the right of each state to defend its own independence and to choose its own form of government and its own manner of social and cultural life.

On March 26, in plenary session, the organization approved the resolution by a vote of seventeen to one, with Guatemala opposing, and Argentina and Mexico abstaining—Costa Rica was absent. As passed, it differed in only one respect from the draft; it called not for immediate action to meet the Communist threat but rather for a "meeting to consider the adoption of measures in accordance with existing treaties."

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"2. Whether or not the Communists who dominated Guatemala were in turn directed from the Kremlin.

"3. Whether or not the Communists from Guatemala actively intervened in the internal affairs of neighboring Latin American republics.

"4. Whether or not this Communist conspiracy which centered in Guatemala represented a menace to the security of the United States.

"My answer to all four of those questions is an unequivocal 'yes.'

"The Arbenz government, beyond any question, was controlled and dominated by Communists. Those Communists were directed from Moscow. The Guatemalan government and the Communist leaders of that country did continuously and actively intervene in the internal affairs of neighboring countries in an effort to create disorder and overthrow established governments. And the Communist conspiracy in Guatemala did represent a very real and very serious menace to the security of the United States."

This resolution formed a charter for the anti-Communist counterattack that followed. But before these resolutions could become effective, things got worse.

In the two months from March to May, 1954, the agents of international Communism in Guatemala continued their efforts to penetrate and subvert their neighboring Central American states, using consular agents for their political purposes and fomenting political assassinations and strikes. In Guatemala itself the government answered protests by suspending constitutional rights, conducting mass arrests, and killing leaders in the political opposition.

In May things came to a head. On the 17th of that month Foster Dulles reported to the press that the United States had reliable information on a shipment of arms from behind the Iron Curtain. The arms had been loaded on the *Althem*, a Swedish ship chartered by a British company, at the East German Baltic port of Stettin. The ship was at that moment being unloaded at Puerto Barrios in Guatemala. The ship had mysteriously changed its announced destination and its course three times en route, apparently in an effort to confuse observers. We learned that the cargo contained two thousand tons of small arms, ammunition, and light artillery pieces manufactured in the Skoda arms factory in Czechoslovakia. This quantity far exceeded any legitimate, normal requirements for the Guatemalan armed forces.

On May 19 Nicaragua broke diplomatic ties with Guatemala. Five days later we announced that the United States was airlifting arms to Honduras and Nicaragua to help counter the danger created by the Czech shipment to Guatemala. Our initial shipment comprised only fifty tons of rifles, pistols, machine guns, and ammunition, hardly enough to create apprehension in neighboring states.

On May 24, 1954, I informed the Legislative leaders of measures we were planning to take. Honduras and Nicaragua had asked for help. Among other things, we would (1) prevent any further Communist arms build-up in Central America by stopping suspicious foreign-flag vessels on the high seas off Guatemala to examine cargo (an action conforming to the United Nations Charter and Caracas resolution) and (2) convene another meeting of the Organization of American States to consider next steps. We would, of course, advise Mexico and other friendly countries of our plans.

Our quarantine measures soon ran into trouble. We were able to hold up at Hamburg some six tons of 20-mm. antiaircraft shells in transit to Guatemala from Switzerland. Action on the high seas, however, was a different matter. While well within the capabilities of the Navy, such

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measures would require at least the tacit cooperation of our allies, principally Britain, to avoid placing an almost fatal strain on our relations. At first such cooperation was difficult to obtain, at least completely, from the British. Foster communicated with Anthony Eden on the matter, and the latter finally, with misgivings, issued a statement which we considered adequate.<sup>11</sup>

Meanwhile, in Guatemala, Arbenz had declared a state of siege and launched a reign of terror. Then on June 18 armed forces under Carlos Castillo Armas, an exiled former colonel in the Guatemalan Army, crossed the border from Honduras into Guatemala, initially with a mere handful of men—reportedly about two hundred. As he progressed he picked up recruits. Simultaneously three obsolete bombers, presumably under his direction, buzzed Guatemala City and bombed the ordnance depot. Things seemed to be going well for Castillo's small band until June 22. On that date Allen Dulles reported to me that Castillo had lost two of the three old bombers with which he was supporting his "invasion."

A meeting was arranged that afternoon with Foster Dulles, Allen Dulles, and Henry F. Holland, who had succeeded John Cabot as Assistant Secretary of State for Inter-American Affairs. The point at issue was whether the United States should cooperate in replacing the bombers. The country which had originally supplied this equipment to Castillo was willing now to supply him two P-51 fighter-bombers if the United States would agree to replace them. The sense of our meeting was far from unanimous. Henry, a sincere and dedicated public servant and a real expert in Latin American affairs, made no secret of his conviction that the United States should keep hands off, insisting that other Latin American republics would, if our action became known, interpret our shipment of planes as intervention in Guatemala's internal affairs. Others, however, felt that our agreeing to replace the bombers was the only hope for Castillo Armas, who was obviously the only hope of restoring freedom to Guatemala.

"What do you think Castillo's chances would be," I asked Allen Dulles, "without the aircraft?"

His answer was unequivocal: "About zero."

"Suppose we supply the aircraft. What would the chances be then?"

Again the CIA chief did not hesitate: "About 20 per cent."

I considered the matter carefully. I realized full well that United States

<sup>11</sup> The statement by Anthony Eden, dated June 18, 1954, said in part:

"There is no general power of search on the high seas in peace time. The British Government, however, has certain powers under Defense Regulations and otherwise to detain or requisition under certain circumstances. The Commander-in-Chief of West Indies is being instructed to take appropriate action where practicable if the carriage of arms by British ships should be suspected."



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intervention in Central America and Caribbean affairs earlier in the century had greatly injured our standing in all of Latin America. On the other hand, it seemed to me that to refuse to cooperate in providing indirect support to a strictly anti-Communist faction in this struggle would be contrary to the letter and spirit of the Caracas resolution. I had faith in the strength of the inter-American resolve therein set forth. On the actual value of a shipment of planes, I knew from experience the important psychological impact of even a small amount of air support. In any event, our proper course of action—indeed my duty—was clear to me. We would replace the airplanes.

As my visitors prepared to leave the office, I walked to the door with Allen Dulles and, smiling to break the tension, said, "Allen, that figure of 20 per cent was persuasive. It showed me that you had thought this matter through realistically. If you had told me that the chances would be 90 per cent, I would have had a much more difficult decision."

Allen was equal to the situation. "Mr. President," he said, a grin on his face, "when I saw Henry walking into your office with three large law books under his arm, I knew he had lost his case already."

Delivery of the planes was prompt and Castillo successfully resumed his progress. After five days, during which the Guatemalan Army announced its refusal to support Arbenz, he announced that he was relinquishing power to a Colonel Díaz as the head of a new provisional government. Two days later a second change deposed Díaz and brought the anti-Communist Colonel Elfego Monzón to power. Thereafter, further negotiations, with Ambassador Peurifoy and President Oscar Osorio of El Salvador as mediators, brought Colonel Castillo Armas into Monzón's new ruling junta, eventually as its head.

Meanwhile the United Nations Security Council had deferred action on the Guatemala matter during an investigation by the Inter-American Peace Committee of the Organization of American States, but the change of government had made further action unnecessary.

The major factor in the successful outcome was the disaffection of the Guatemalan armed forces and the population as a whole with the tyrannical regime of Arbenz. The air support enjoyed by Castillo Armas, though meager, was important in relative terms; it gave the regular armed forces an excuse to take action in their own hands to throw out Arbenz. The rest of Latin America was not in the least displeased.

Arbenz fled via Mexico to Czechoslovakia, and Castillo Armas was later confirmed first as head of the military junta and then, by a thundering majority, as President. He proved to be far more than a mere rebel; he was a farseeing and able statesman. For the three years of life remaining to him, he enjoyed the devotion of his people.

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By the middle of 1954 Latin America was free, for the time being at least, of any fixed outposts of Communism.

"Now the future of Guatemala," Foster Dulles said in a nationwide broadcast on June 30, "lies at the disposal of the Guatemalan people themselves."

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One more event deserves mention to complete the chronicle of 1954: the settlement at Suez.

Probably because of their recognition that in the atomic era large masses of troops at Suez would have doubtful value, the British modified their demands to the government of Egypt, headed after April of 1954 by a new President, Gamal Abdel Nasser. By July 27 the two governments had arrived at an agreement in principle, which they sealed in a final agreement on October 19. Progressively, over the next twenty months, they concluded, the British would withdraw all of their troops. British and Egyptian technicians would, in various zones, keep the Suez Canal Base in working order. The Royal Air Force would have rights of overflight and landing. In the event of an attack on any of the eight Arab states or Turkey by any non-Arab state, the British could move back into the base and put it on a wartime footing. Freedom of navigation through the canal would remain unimpaired.

On November 7, 1954, having encouraged Egypt to conclude an agreement on Suez, the United States announced a grant of \$40 million to further Egypt's economic progress.

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By the end of the year a historical pattern was emerging: American political, military, and economic influence was being used to help solve old quarrels, preserve freedom, eliminate traditional antagonisms, and give confidence to weak and exposed nations. We had inherited many problems out of the past. In company with good friends and allies around the globe—from Seoul to Guatemala City to Teheran to London—these problems we had solved, at least for the moment, even though others remained and new ones were certain to arise. But we and our good companions could well feel, as 1954 came to a close, that more than once in the past two years we had made a good end of the beginning.