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11 September 1953

MEMORANDUM FOR: DIRECTOR OF CENTRAL INTELLIGENCE
THROUGH: DEPUTY DIRECTOR (PLANS)
SUBJECT: Guatemala --General Plan of Action

1. Attached is the requested general plan of action and summary budget estimate concerning proposed operations against Guatemala, prepared jointly by Mr. [] Chief of Operations [] and [] of the WH Division specially assigned to the project.

2. The plan was given provisional approval by the undersigned and submitted to the working group connected with the project, which includes Messrs. [] and [] of the State Department and Mr. [], at a meeting on 9 September 1953.

After thorough discussion, all members of the group concurred in the general plan.

Chief, []

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11 September 1953

MEMORANDUM FOR THE RECORD

SUBJECT: Guatemala.

During the past few years Guatemala has become the leading base of operations for Moscow influenced communism in Central America.

Ruled by powerful, anti-US President Arbens supported by a leftist coalition government, with all key positions below cabinet level thoroughly controlled by a Communist dominated bureaucracy, Guatemala now represents a serious threat to hemispheric solidarity and to our security in the Caribbean area.

Essentially a primitive, rural country the size of Louisiana with a population of 3 1/2 million, Guatemala is currently engaged in an intensely nationalistic program of progress colored by the touchy, anti-foreign inferiority complex of the "Banana Republic".

With labor to a large degree organized according to communistic methods, and a land reform plan benefiting the peasantry, the present Arbens government commands substantial popular support in spite of evidence of opposition in the capital, Guatemala City (Population 180,000).

With an army of 7000, the well-trained, and quite well equipped, hard core of which is stationed in the capital city, Guatemala maintains the balance of military power in Central America. This, coupled with communist subversive activities extending across the Guatemalan borders, is a matter of increasing concern to nearby States including Nicaragua, Honduras and El Salvador.

The disturbing and subversive influence of communist dominated Guatemala within the Pan-American orbit, as well as an aggressively hardening anti-US policy targeted directly against American interests in

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the country, has recently caused the United States Government to adopt a somewhat firmer attitude towards Guatemala than heretofore. Based on NSC 144/1 and up-to-date PSB policy guidance, CIA has placed top operational priority on an effort to reduce and possibly eliminate Communist power in Guatemala. Appropriate authorization has been issued to permit close and prompt cooperation with the Departments of Defense, State and other Government agencies in order to support CIA in this task.

A study of available intelligence estimates (most recently NIE-84) reveals no internal conditions that could be developed into a vital threat to the present Arbenz administration without determined support from the outside.

Though it is pointed out that the main political opposition to the government is located in the capital city, it is also stated that, although the dissatisfaction of important urban elements will probably increase, effective political unity among these elements is not likely to be achieved. The political union of urban and rural interests is even less likely.

Additional information appears to indicate that previously available active resistance to the government is decreasing rapidly due to general discouragement, especially after an abortive uprising earlier this year, which resulted in the imprisonment and/or exile of important opposition leaders.

It is further estimated that the army is the only organized element in Guatemala capable of rapidly and decisively altering the political situation and that there is no reason to doubt the continued loyalty of the army high command and most of the army to the President, who in turn is

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under the direct and indirect influence of Communist officials in key government posts and firmly entrenched within pro-Administration political parties.

Military units outside the capital are reported to have little potential for effective revolutionary action due to poor equipment, lack of training and the vigilance and security measures of trusted area commanders.

The police force (3500) could neither defeat an army coup nor itself overthrow the government without army support.

Another of the few organized elements of any consequence, the Catholic Church, is reportedly handicapped by the meagerness of its resources, the small number of priests in proportion to population, the fact that most priests are aliens subject to deportation, and the lack of a program capable of competing with the Communist-led labor movement or with agrarian reform.

A study of a recent evaluation of CIA's political and psychological warfare operations indicates that past efforts by the Agency to combat Communism in Guatemala have been hampered by a policy of extreme caution adhered to by State Department representatives in the field. As a result of this, existing CIA assets personnelwise and otherwise in respect to psychological warfare and political action within Guatemala are negligible.

The main operational asset immediately available to CIA is a group of revolutionary activists numbering a few hundred, led by an exiled Guatemalan army officer (RUFUS) and located in Honduras. More than a year ago, some planning within the Agency contemplated the implementation

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of an ambitious militant plan of revolutionary action on the part of RUFUS and his group. For a variety of reasons this operation was indefinitely postponed; meanwhile RUFUS has received financial aid from private American interests. He allegedly controls considerable clandestine elements and contacts within Guatemala; in fact the above-mentioned operation would have depended for its success on immediate popular support of RUFUS and his revolutionaries, backed by active assistance of an extensive underground resistance organization and certain outlying army garrisons, as soon as RUFUS and his men entered the country.

[REDACTED]

In light of existing conditions in Guatemala, with the government steadily strengthening its position, and active opposition deteriorating, the original RUFUS plan is now considered substantially obsolete. It is disturbing that reports from the CIA case officer indicate that unless the RUFUS asset is operationally activated within a very short time (maximum 120 days), it will be subjected to a serious morale problem, and RUFUS' alleged clandestine support organization within Guatemala is likely to disintegrate along with other government opposition.

Undoubtedly there are means and ways of maintaining the RUFUS group on a stand-by basis [REDACTED]. The RUFUS plan would in any case have to be radically readjusted to meet a more adverse situation. Also, any major action on the part of RUFUS and his supporters would have to be preceded by elaborate covert psywar, political action, sabotage and similar operations that would require a time-consuming

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build-up of Agency assets of various kinds, including the placement of qualified personnel in the field.

In this connection, it would be the primary concern of CIA to ascertain the existence, scope and potential of alleged Guatemalan covert resistance elements, and alleged clandestine contacts suitable for psychological warfare and political action purposes, as well as for possible active support of a para-military effort at a later date.

Notes

There is a general feeling of urgency in respect to action against Guatemala on the part of State and Agency officials connected with this priority task, but also a growing realization of the fact that existing operational assets do not permit any optimistic viewpoints relative to speedy success within a relatively short period of time.

It is recognized that the task headed by CIA calls for a general, over-all plan of combined overt and covert action of major proportions. Some steps have already been taken to initiate certain preparatory measures in regard to supporting overt action and other US government sponsored pressure aimed at off-setting the leading position of Guatemalan military strength in Central America.

A general outline of a contemplated course of action follows:

- (a) Military Aid to other Central American States: In order to isolate the target country (Guatemala), military aid agreements will be concluded with Nicaragua, Honduras and El Salvador. Implementation of such aid programs will be expedited on a priority basis and US military missions will proceed to the countries in question to supervise deliveries of military equipment and offer technical assistance. Negotiations with Nicaragua are progressing (ACTION: State and Defense),

*Time element: 6 months
(March 1954)*

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*Recent info
indicates 6
months at least
required.*

and it is expected that arms shipments will commence shortly

(ACTION: Defense and FOA). Preliminary steps to encourage

Honduras to follow suit are in progress (ACTION: CIA, subsequently

State and Defense), and El Salvador is expected to join up without

delay (ACTION: State and Defense).

(March 1954)

- (b) Cessation of Military Aid to Guatemala: US military missions will be withdrawn from Guatemala at an appropriate time. Deliveries of arms, heavy equipment and other industrial products of military use have been stopped (ACTION: Defense and State). Efforts should be made to curtail or stop similar deliveries from foreign sources wherever possible (ACTION: State).
- (c) Supporting Official Pressure: The US Government must from here in adopt a strong, critical attitude towards the Guatemalan Arbenz Government. Every opportunity to crack down hard on Guatemala in response to official correspondence or statements must be fully exploited and subsequently followed up by active measures wherever feasible. (ACTION: State).
- (d) Official Discrediting of Guatemala: The threat of a conference of OAS or of Foreign Ministers should be made and reiterated in due course. The objective of the conference is to consider evidence that Guatemala constitutes a menace to Hemispheric solidarity and the internal security of friendly nations through aggressive Communist subversion. (ACTION: State). Collection of evidence, or fabrication of same, will be attended to accordingly (ACTION: CIA and State).
- (e) Economic Pressure: Considering that Guatemalan Government economy is susceptible to pressures, covert economic warfare methods targeted against oil supplies, shipping and vital exports and imports, where feasible, will be applied. In this connection, an already cleared group

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[redacted] with
extensive experience in Latin American banking, shipping, publicity,
general investments and oil, will be assigned the task of preparing
a plan of covert action. This will be augmented by advice from
[redacted] aided by three of his most trusted advisers in economic
affairs who have just arrived from Guatemala for consultation. These
men occupy high positions in Guatemalan business and industrial life.

Rbal, or when necessary fabricated evidence re. aggression and
subversion, will be used at an OAS conference to obtain approval of
the American States for multilateral economic action against Guatemala,
particularly in respect to coffee. A study is under way to determine
what phases of the coffee industry may be attacked which will damage
the Arbenz government and its supporters without seriously affecting
anti-communist elements (ACTION: CIA and State).

(f) Psychological Warfare: Psywar activities

but targeted against Guatemala, will be stepped up forthwith
through the exploitation of exile groups and internal anti-communist
organizations presently engaged in active operations (ACTION: CIA).
A complete psychological warfare campaign for internal implementation
in Guatemala is in the planning stage. [redacted] the Chief organizer
of an extensive clandestine resistance movement, recently joined RUFUS
in Honduras after being exiled from Guatemala. Contrary to current
intelligence reports, [redacted] claims control over substantial assets
that would be capable of covert Psywar activities and black operations
using contacts within the press, radio, church, army and other organized
elements susceptible to rumor, pamphleteering, poster campaigns and
other subversive action. [redacted] is presently in Washington assisting
in preparations for Psywar activity and political action. It will be

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necessary to strengthen the CIA field station in Guatemala forthwith in order to supervise the launching of a sustained Psywar program and verify the capabilities of the [] /RUFUS clandestine organization in Guatemala City and elsewhere (ACTION: CIA).

(g) Political Action: Preparations for subversion and defection of Army leaders as well as government officials and political personalities are in progress. Here again, [] is assisting and offering capabilities for operational exploitation. (ACTION: CIA).

(h) Para-Military Action: As described in the foregoing, RUFUS and his small revolutionary group in Honduras (300) is the revolutionary nucleus around which last year's operational plan was formulated. Success depended entirely on immediate popular support inside Guatemala and a month-long military campaign gaining momentum through a series of complicated maneuvers and rendez-vous climaxing in an irregular assault on Guatemala City. This plan is now considered obsolete; however, it is still contemplated to make proper use of the RUFUS asset in appropriate coordination with an overt and covert "softening-up" effort described in the foregoing.

Current thinking singles out Guatemala City as the key target upon which all efforts must be concentrated including a swift, climactic military action sparked by a reinforced RUFUS group with essential support from defected elements of the City garrison and active civilian resistance groups backed by a series of well-prepared unconventional warfare operations. This must include the neutralisation of key military figures and control of power and communication centers.

Much preparatory work has already been completed to ensure logistical support of RUFUS. He and his group should take early

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advantage of the offered use of a military base []

Supplies now available in the Carribsan should be sent forward without delay to support an extensive covert training program. RUFUS and [] must at once take steps to strengthen their force by arranging for exfiltration of additional revolutionary personnel from Guatemala; leader and organizer types should be selected initially for intensive training, and some of these should be re-infiltrated to resistance elements within Guatemala. RUFUS' basic nucleus should eventually be built up to match as closely as practicable the numerical strength of the garrison of Guatemala City (approximately 3000).

The proposed expansion of the RUFUS group would in itself provide some measure of evidence as to RUFUS' [] estimates and claims of control of resistance elements currently dependable in Guatemala

Further proof of the existence of organized clandestine resistance should be obtained by the gradual activation of one selected group after another within Guatemala commensurate with the development and increasing momentum of the psychological warfare and political action campaign. Some subversive operations should likewise be carried out to further testify to the existence of the alleged RUFUS [] capabilities inside the target country, and in order to stimulate popular interest and support. (Suitable target for one of these operations: disruption of a 15-man communist delegation scheduled to leave Guatemala City on 10 October '53 by commercial air carrier for a Communist Labor Congress in Vienna.)

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Steps will immediately be taken to review the RUFUS plan according to concepts set forth in the above and progressively geared to take advantage of operational developments resulting from the before-mentioned overt and covert course of action. (ACTION: CIA supported by State and Defense as appropriate).

- (1) Strengthening of CIA Station in Guatemala: As previously indicated, CIA assets in the field personnelwise and otherwise are negligible. No time should be lost in order to reinforce the station with a senior FI operator and an experienced senior PP operator. The current PP and FI effort is considered far short of even beginning to tackle the task at hand. Expert leadership is required to supervise the clandestine build-up in Guatemala without which no RUFUS plan involving revolutionary action sparked from the outside can be implemented with a reasonable chance of success. (ACTION: CIA - Priority.)

It is estimated that the contemplated operation can be mounted and completed over a period of not less than eight months. A provisional estimate of expenditure aggregates \$2,735,000. as per attached specification.

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BUDGET SUMMARY

(PBFORTUNE)

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	20,000
Arms and Equipment	400,000
Operation of [] training center	100,000
Support of internal organization (estimate)	150,000
Transportation, storage and travel (estimate)	55,000
Transport Aircraft and maintenance	200,000
Current liabilities	50,000
Contingencies	<u>300,000</u>
TOTAL	<u>\$2,735,000</u>

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