

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

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SECURITY INFORMATION

C ]-1087

RYBAT #13

Chief, Western Hemisphere

2 October 1953

[ ]  
KUGOWN Operations

[ ] Report on Guatemala

References:

- a) DIR-16367 dated 19 August 1953
- b) DIR-17384 dated 27 August 1953
- c) HMM-A-1086 dated 30 September 1953
- d) HMM-A-649 dated 29 May 1953

1. Pursuant to the authority and directives of references (a) and (b), [ ] made an operational and cover trip through Honduras, [ ] Guatemala and El Salvador, from which he returned [ ] on 25 September. Forwarded herewith is his sterilized report, the identities of which were reported in reference (c).

2. The [ ] feels that [ ] exceeded the limits of adequate security in some aspects of his operations in Guatemala — particularly in respect to the promises of assistance made to Identity B, Identity F, Identity H, Identity I, and Identity M. [ ] agrees that he exposed himself and his mission, but states that he had to operate in that fashion to fulfill the mission assigned to him by reference (b).

3. We are unable to judge the validity of [ ] principal thesis: that the groups inside Guatemala must receive assistance from some quarter fairly soon or they will provoke, or be provoked into, an abortive revolt. [ ] feels strongly that the forces within Guatemala should cooperate amongst themselves and with the opposition forces outside of Guatemala, in contrast to the present situation in which some interior forces are completely ignorant of the existence of other interior forces and all interior forces feel shut off from the exterior groups.

4. Since the [ ] can make no recommendations on the major aspects of the report, we merely request instructions at the earliest possible moment re the commitments and recommendations made by [ ] to wit:

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- a) Discussions with Identity F [ ];
- b) Travel of Identity H [ ] or Washington for discussions;
- c) Contact with Identity K in Washington;
- d) Identity O interview with Identity M, or some contact with Identity M [ ]
- e) Clearance of Identity P (information to be supplied by Station Guatemala);
- f) \$100 U.S. monthly payment to Identity Q through LIONIZER (if not already employed by Station Guatemala);
- g) \$100 U.S. monthly payment to Identity B through LIONIZER;
- h) Double the printing of the LIONIZER bulletin.

on [ ] (Authorization has been given [ ] for the purchase of a technical book to be sent to Identity R).

Boyd I. Rolender

BIR/cav  
1 October 1953.  
1 Attachment *(in triplicate)*  
cc: 3 - Washington  
2 - Files

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Re: Guatemala

Authorization was granted for a trip to British Honduras in order to arrange for the successful introduction into Guatemala of 30,000 picture books (approx. one ton) printed here. In order to provide proper cover for the trip I made a circle, starting in El Salvador, then proceeding Guatemala, British Honduras, Honduras and Guatemala, utilizing the trip for cover business. Apparently, the cover stood up satisfactorily and security-wise no problems were encountered.

In conjunction with the mission concerning the above propaganda I was given another mission: to determine the strength, security and morale of the anti-communist underground in Guatemala and the possibilities for defections within the military group. Results of these two missions are detailed below.

My first entry into Guatemala was made via San Salvador in order to avoid the necessity of obtaining a Guatemala visa [ ] I, therefore, spent only one night in San Salvador, obtaining a transit visa for Guatemala en route to Belize. I spent one day and night in Guatemala for the purpose of talking to LIONIZER contacts there before contacting our man in Belize. I was only able to talk to Identity A that day as we were unable to reach Identity B, the other man. Identity A is a very weak individual, lacking in intelligence and imagination. He operates under Identity B and apparently serves to carry out minor tasks. Unfortunately, he is the brother of Identity C, [ ] LIONIZER and unless we risk a change we are more or less stuck with him as our contact.

He had very little to offer constructively regarding suggestions on how to best carry out the operation. We met at the Hippodromo del Norte at my request as they have a large, scaled, relief map built there on the ground and it enabled us to discuss points and methods of introduction of the material, using the map as a guide. We discussed various alternate methods and I finally suggested that we await the results of my discussions with our contact in Belize and then meet again on my return to Guatemala to make a final decision. The meeting was not satisfactory as I had hoped to receive new ideas from Identity A that we had not already considered [ ]

After setting up arrangements for contact upon my return I proceeded to Belize. I contacted without difficulty Identity D, the man recommended by LIBETHENITE-4. He operates a small, hole in the wall magazine stand called Identity E, located in downtown Belize. It is a very insignificant place and cannot return much income to Identity D. He lives a few blocks away in a fairly decent house. Apparently he had some capital when he left Guatemala. Identity D is a very willing person but apparently of limited capacity mentally. He is married [ ]

He stated his complete desire to cooperate with us, not only because of his friendship for LIBETHENITE-4 but also because of his sworn enemy against the present LIONIZER government of Guatemala. He has been cooperating with LIONIZER since [ ] contacted him in Belize on his trip. He has written one article which we printed and he receives 25 copies of each issue of the Bulletin which he mails into Guatemala.

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He felt that receipt of the propaganda by air freight in Belize would not present a problem. He preferred to handle it openly, arranging with the authorities to permit it to pass through the customs. He stated that the Chief of Police was a good catholic and a militant anti-communist who he felt would make the arrangements. He proposed to talk to him through a relative of his wife. I also was able to give him the name of a Guatemalteco exile in Punta Gorda who was recommended by Identity A in Guatemala [ ] which might be used to move the material from British Honduras into Guatemala near Livingston. He offered to contact this man and see what he would do.

Unfortunately, I hit Belize on the occasion of their Independence Day, 10 September, the Anniversary of the Battle of St. George's Cay and Identity D was not able to obtain the decision before I left. We agreed that he would send a full report by letter to LIBETHENITE-4, requesting that he pass the information on to me in Guatemala through IDENTITY-A when I returned there. This information was not received by me before returning here and when I spoke to LIBETHENITE-4 on the phone last night (26 September) he had not yet received it from Identity-D.

Belize appears to be a wide-open, neutral city as far as anti-communist activity is concerned. It appears to be much more anti-communist in spirit than neutral and I gathered the opinion, later confirmed by discussions in Guatemala that it represents the best intermediate point of any of the 4 contiguous countries for a base for introduction of propaganda or arms, etc. Quite by accident I saw Identity D's messenger posting bulletins in the mail in the post office and I was astonished to see him carrying the bulletins openly in his hand so that anyone could see them. I commented on this to Identity D who said that there was no necessity to work clandestinely as the local people, including officials, were all anti-communist. I asked him about communist spies there and he stated that there was little or no such activity; that the Guatemalteco consulate enjoyed no respect from anybody.

From Belize I proceeded to San Pedro Sula, where, quite by accident I made an interesting contact. My distributor in Belize is [ ] and the Asst. Mgr. is [ ] he asked me to do him the favor of delivering a pair of small, rough, uncut opals to a friend of his in San Pedro Sula, a man named [ ] who he told me was an important politician. I agreed to do so and after discussing other things I led the conversation into a discussion of Guatemaltecan politics. It developed that subject is a Carias man and under Carias' regime he was [ ] to several countries, including [ ] I plied him with scotch and he made several interesting statements among which are the following. He knew personally almost all of the anti-communist people from Guatemala. I told him I had heard that Castillo Armas, was living off the fat of the land in Tegucigalpa and that he preferred to see no change in the status quo as he could never do better than he was doing now. He disclaimed the rumor, stating that Castillo lived economically and the money he was receiving from outside sources was used to take care of his obligations as the rallying point for Guatemaltecan refugees in Honduras; that he felt that whoever gave Castillo his money felt that this was highly necessary in order to maintain a rallying point. Subject offered to arrange for me to meet Castillo but I declined the offer, stating that I had no reason to see him. Subject also stated that he had known LIBETHENITE-4 well and that at one time he had felt that LIBETHENITE-4 was the best available man to lead a revolution against

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the present regime but that now he felt that LIBETHENITE-4 was too closely allied with U.S. interests to serve as a true Guatemaltecan patriotic leader. He mentioned all the other people that we have known, many of them that I met during my trip in May in Guatemala and stated that none of them would derive popular support; that in his opinion the best available was Castillo Armas. He opened up very freely under the influence of my scotch and I established excellent relations with him that could be later further developed. I am going to [ ] as he has a representation company and excellent political [ ] contacts on the north coast.

The following should be mentioned in passing. Col. Charles Francis Sawyer, our Military Attache in Tegucigalpa was in Belize as he told me it came under the jurisdiction of his office. Also registered at the Fort George Hotel in Belize was a young fellow by the name of "Matcher" or something very similar. He showed his address in Tegucigalpa as the Prado Hotel. We all left Belize on the same plane. I spoke briefly to Sawyer on generalities and he made one statement that was pretty well confirmed all along the line; that the recent Dulles note on the United Fruit expropriations did not amount to much; that he felt that any note like it that did not carry any teeth in it had more of a negative effect than positive; that it simply weakened our prestige in the long run; that it was another case of waving a gun around that we did not intend to use. This opinion was shared by almost everyone I spoke to. In my own opinion, unless the note represents part of a long range plan to be followed up by an action on our part that it would have been better not sent. Possibly there is a plan behind it that I am not aware of. I do hope so as our prestige is so precarious now that further weakening can have serious effects.

Re: "Matcher". I ran into him on the street in Tegucigalpa just before leaving and said that I assumed since he came to Belize and left there with Col. Sawyer and since he seemed to be on intimate terms with other Embassy people that were in the airport at the time that I presumed he worked for the Embassy, too. He replied, "No, I am just a free-lance ham" and changed the subject, mentioning that he was going dove-hunting the next day with the Colonel.

Returned to Guatemala on 17 Sept. and was there until my return here on 25 Sept. All of this time was spent in the city except for the 18th and morning of the 19th when I was at a mine at [ ] Following are the results of my specific missions.

#### Propaganda Introduction:

After returning to Guatemala I met with Identity B and Identity A almost daily in connection with the above and other things on which they could be utilized. Their conclusions were that the best way to bring the material into the country was via the El Salvador frontier. If we could arrange to lay it into El Salvador by boat from Maricao they could smuggle it across the border as they claim the border at that point has many points of entry. They figured it would take 6 trips, carrying 5,000 per trip for a total of \$600,00 dols. As an alternative they would pick it up on the north coast near Livingston and bring it in by means of individuals carrying about 100 lbs. each on the train. This did not sound too good to me for several reasons and I decided to look for another carrier.

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Arranged for a meeting with Identity F, a wealthy business-man who I had met last trip. He has a large [ ] and other interests. In May he owned his own plane [ ] was member of the Aero Club, and had many friends with small private planes. At that time he offered to cooperate if he could. I asked him point blank if he would help us bring the material in by means of small planes and he said he would; that he had sold his plane and planned to buy a Cessna 170 but not immediately, but that he had enough friends who would help.

We discussed several alternative plans and he felt that the best was via Belize. He and his friends would arrange a fishing trip to Belize and pick up the material when they returned. The big advantage to Belize for them was that they did not have to obtain documentation to leave Guatemala or to enter Belize. If we could bring it in there through Identity D, this was fine, and if not, they could pick it up any other way, possibly by arranging a rendezvous with a boat at one of the many cays lying off the Belize coast if we could arrange for boat delivery. We also discussed the possibilities of their picking it up on an Aero Club trip to [ ] but this presented several obstacles. Such a group trip might require that club members who are also government military men might have to be invited and they might find out what was going on. They also would require documentation. He also brought out the point that the normal thing would be to go at least two to a plane and then the plane would only carry one on the return in order to carry maximum pay load of about 500 lbs.

Identity F is coming [ ] on 27 September and expects to be here 10 to 14 days. We therefore agreed that we would get together here through LIBETHENITE-4 and settle it once and for all. LIBETHENITE-4 should have an answer from Identity D the week of 27 September and also from his cousin who has a 3,000 ton vessel plying out of El Salvador. Based on the accumulated information during Identity F's visit here we can work out all details and select the method most secure and most economical.

Identity B's group would be able to arrange for immediate distribution throughout the country through the same channels they have been using for distribution of the bulletin.

#### Underground Groups:

Identity B's group: this group is headed by Identity B and Identity A under him. They consider themselves under direct orders of Identity C here. They claim to have 1,000 secure members in their group plus 20 men in the Army - non-coms and junior officers. The above are sure men but they claim that when the chips are down they can rally thousands. They have practically no arms and no money. Their morale is at the lowest possible point. Because of the long delays in making an action and the lack of money their members are slipping away. These people live from day to day and the day they don't work they and their families do not eat. The only way they can get work under present conditions is to belong to a government party. They can and do join the enemy to eat without necessarily sacrificing their beliefs - but - over a period of time, these people gradually slip away and grow colder towards undivided loyalty to an opposition group. It is just human nature to gradually assume loyalty to the group that feeds you.

Identity B is one of the dozen odd original anti-communists in the country who started their activities 6 or 7 years ago. He is a director and one of the founders of the Identity G. Although many of the members of their above group are Identity G members, the two activities are separate as many Identity G members are not part of their militant group and many members of the militant group are not Identity G members.

It is hard to tell how authentic Identity B's statements are. I am inclined to give him 50% credit. He offered to arrange for me to clandestinely attend meetings of his group which I declined at this time for security reasons. Most of his people are from towns on the periphery of the capital although they have men throughout the country, and bulletin distribution is accomplished by means of these provincial men.

They are completely willing and ready to enter into any action. They only ask for arms and a little money. Identity B made this statement to me. "If Identity C gives his okay we will do anything you tell us to. We will follow your instructions and we will die if necessary. We would put ourselves entirely in your hands." They claim no allegiance to any other leader than Identity C and do not particularly care who would get the Presidency. I recommend giving Identity B \$100.00 mls. a month to help defray expenses in his work.

Identity H's group: This contact was arranged through Identity I who was of so much help in arranging contacts during my last trip. He told me that subject was having dinner at his house on Tuesday night and that he and his group had decided to go ahead with or without additional support or authorization from outside the country. Identity I claimed that their security was very good and that it would be difficult to arrange a meeting as they wanted to be sure who they were talking to. I told him that I could provide no credentials or in any way supply any bona fides concerning myself; that if, based on what he knew concerning my associations with LIONIZER he was willing to risk a meeting and Identity H (whose name I did not learn until I had met him) was willing to take a chance on Identity I's recommendation that was all that I could do. I stated that it would be a very worthwhile meeting as I could very well be in a position to help Identity H and put him in touch with people who might give him what he needed and that it was probably worth the gamble on their part.

The meeting was arranged and I spent most of Wednesday night, 23 Sept., riding around in a panel truck with Identity H. Identity H claims that his group covers a zone given to him by CALLEGARIS mostly to the south of the Capital; that they have 2,000 men who carry cards of affiliation and another 1,000 men they can count on. They have 200-7mm rifles, a few thousand rounds of good American 7mm shells that they have tried; 20-Thompson, .45 automatic rifles and a few hundred rounds of shells for them; 6-.30 calibre light machine guns and a few hundred rounds of shells; about 200 hand grenades and that is about all. Their security is excellent and their morale is zero.

Identity H stated that he has made trips outside of Guatemala and has spoken to Castillo Armas, Idigoras Fuentes and to Batista's Defense Minister in Havana (his wife is Cubana). He said they had been closely allied with Juan Cordoba Cerna; that these talks had been going on for several years but that all he could get from them was that they should wait and have patience, that the time was not yet ripe.

Several years ago CALLEGARIS told him to learn how to fly. He proceeded to do so and became a member of the Aero Club; that several years ago he began to cultivate a friendship with an army officer in the Aero Club and that he slowly learned that this man was willing to defect and bring several officers with him; that he was 99% sure of this man as the development had been very slow and very cautiously cultivated; that he counted a great deal on the help he expected to receive from this officer. He conformed that defections would be very difficult.

The meat of his feelings are these. They cannot delay any longer as he cannot hold his group together. They have never received outside financial help. What arms they have and what money they have used to form and hold their group came from their own pockets. His statements were very similar to those of Identity B regarding the difficulties in holding their people; that their stomachs ruled now and every day that passed the government was able to win men away through their stomachs.

He admitted that if they made an action now, the odds were against their success, but that they were in the position that at least today they have some chance even though slim, of succeeding; but that further delays reduced their chances until they became nil. He drove me around the city in the wee hours of the morning and pointed out the various government bases, told me what they had in personnel and equipment; how they shifted their equipment around to make it difficult for the opposition to evaluate their divided strength. He stated that they had good intelligence sources however and were pretty up-to-date.

I told him that if he was to get help through my friends that he would have to lay it all on the line and give me a written report of names and complete detailed information on his group. He agreed to do so and was willing to give it to me the next day. I then vetoed this, telling him it was too much of a risk to take; that if anything happened to me and the information got into the enemy's hands that they (Identity H and company) would be cooked. He then offered to come to [ ] and make a written statement or a recorded statement; that he would go anywhere necessary and talk if they could get the help they need - money, arms, and technical help if available. I told him to sit tight and that I would communicate with him through Identity I and tell him when to come.

He stated that they did not care who got the Presidency; that he thought they were all fine fellows; all they wanted was to get the present group out. He felt exactly as Identity B in this respect.

I therefore request authorization for him to come to [ ] to make his statement and to have him talk to someone. He said he did not have much money but that if I could not help on his travelling expenses he would pay them himself, although any help offered would be welcome.

Other groups: There is a definite student anti-communist group available that can be counted upon when the chips are down. This includes the CEUA. However, these people have wisely shied away from getting too close to the students because of their poor security consciousness. They are in contact with them and know that they can count on them.



It is entirely possible that Castillo groups exist although I was unable to get any contact to them. It is estimated that Idigoras probably has a group as well. Barrios Pena and Jorge Barrios were also mentioned.

In summary we know of about 3,000 secure oppositionists under planned leadership, another 1,000 highly probable, plus about 500 students, plus perhaps another 1,500 belonging to unknown groups - plus the great mass of people who are affiliated with no group but who would join willingly into the struggle.

It is quite possible that the Identity B group goes back to Idigoras. I would imagine this because LIBERTHENITE-4 is an Idigorista and since he and Identity C are close that this tie-up exists.

Military Concepts: Everyone has a different idea on how it should be done. However, they would all be willing to listen to reason and whoever put up the tools would have the privilege of deciding it. Identity B favors a peripheral action coming in from the Salvador border. This is shared by LIBERTHENITE-4 and Identity J mentioned below. IDENTITY H favors a blow in the capital taking the bases there (feeling that the provincial bases would fall by themselves as soon as the capital fell). I am inclined to agree with this theory for a number of practical reasons. However, I see no reason why the two actions could not be combined, using the border simulated actions to draw troops away from the capital and then to strike with the capital group against a weakened enemy. The capital would fall and the troops fighting in the provinces would fall for lack of supplies and direction.

Everybody seems to rely greatly on air support, feeling that just a few bombs dropped on the bases would fold up the government forces. The government has only 6 small planes that will fly out of 16 that they own. Identity H claims that if this army officer connection stands up that they will take over these planes at once.

Military Defections: I do not believe that we can count on military defections before action occurs. The military officers now enjoy everything their hearts desire. They are the elite of the country along with the top politicians. They are bleeding the country dry. They will naturally fight to defend what they have gained. They actually could not afford to give it up. However, there is an excellent chance that once the action starts and they see that the opposition stands a good chance of winning they will switch over in the hopes of at least holding on to part of what they have. This is the general opinion of everybody I have talked to and it makes sense. I have been told by several people independently of each other that within the military group a great distrust exists. The government has set up a system of espionage inside the military and the officers are extremely reluctant to confide in their brother officers as they never know if they may be talking to a government agent. It is apparently very similar to the MVD system of penetration of the military to discourage formation of opposition groups and to keep a close check on the climate inside the group.

Miscellaneous:

1. Identity K. His brother was in Identity I's office and advised him that Identity K was in the states - that he intended to go to Washington and talk to someone there - probably a Mr. "Mitchell" in the Latin-American Division of the

State Dept. Identity I asked me if I could do anything to see that he was contacted so that he could tell his tale where it would do the most good. I told him I would try to have some one see him through my friends in the States. They did not know his hotel but said that this could be secured through his family who live at Identity L. I would suggest that immediate action be taken on this and that our people talk to him without letting him know who he is talking to.

2. Identity M is planning a trip to the states within the next few weeks. He will be accompanied by Identity J and Identity N if the latter's health permits. Identity N wants to talk to Identity O. He states that Identity O accepted honorary membership in the Identity C and that he feels that he has a right because of this to ask for an interview with him. Identity J is very well thought of in A-C circles in the country. The present government ran him out of the country more than once and he came back in spite of their orders and forced them to let him remain. He was present at a meeting with Identity F. He rendered his opinions on the best way to bring in the propaganda and also on military subjects. He seems like a well-prepared officer and reasonably intelligent. I met him last trip as reported in May. I therefore request that steps be taken to arrange the interview that Identity M wants with Identity O. Identity M told me that even though he had not heard from me before he leaves Guatemala in about 2 weeks that he intends to come here on or about 9 October and contact me through LISETHANITE-4 of whom he thinks very highly. We could make arrangements to have him talked to here before he goes to the states. He is a very important figure in the A-C political picture as he is the one A-C politician who has fought the government in the congress consistently.

3. My Communication Set-Up with Guatemala: One of the main reasons that LIONIZER and myself have not been able to function more efficiently in connection with our various problems inside Guatemala has been lack of communications. LIONIZER has always had to wait for some secure person who was going back or forth to carry messages by hand. Our timing has had to suffer very badly. In my report made in May I mentioned that Identity F would probably be very useful to our station there as a source of intelligence. I now make request for permission to establish him as a cut-out for me and letter drop to handle communications. He would have to be semi-witting as he and I could communicate using some sort of code. He would not have to know who he was working for. This is all based on his security clearance and acceptance. I am inclined to think he will clear all right and would probably accept. He has always led a very active life in the jungle and I feel that his present two years of sedentary existence is beginning to bore him. Besides his extreme value as a cut-out and drop he would probably be an excellent source of technical data on any operation involving back-country activity. I urge prompt consideration of this request.

4. Propaganda Recordings: Identity F has agreed to make as many recordings as we request in Guatemala for propaganda use on his equipment. He will only charge us for the cost of the discs or other raw material. All other costs and labor will be the gasoline. The rest will be their contribution.

5. Identity Q: I had Identity B contact him to see whether he would use our material in the paper and on the radio. He reprinted one of our articles in his

paper several weeks ago. I did not contact him myself as he is under very strict surveillance. He said he would be glad to do both. I asked how much money he needed and he said \$100.00 dols. per month would do fine although he would accept anything we could give. I asked Identity B where his present financing came from and he stated that it came from businessmen. He busy about an hour per day on the radio and his paper is published once a week. I would request that you check with our Guatemala station to make sure that we are not already financing him and if not that you authorize him \$100.00 dols. per month to be paid through our contacts there. With this underwriting that could ostensibly come through IF-IZMA we could amplify his activities considerably. I personally feel that he would only last a short time before they clamped down on him. They tried to jail him a short time ago. The news item came through on our sheet and in the papers but he forced them to release him standing on his constitutional rights. He told Identity B that he expected they would try to assassinate him since they could not stop him yet legally. This is the big problem there for anyone who crosses the government. It is very easy to arrange a killing, accidentally or by a neutral party who gets well paid and early released. The more public the name the better chance for survival because of the smell.

6. Intra-Government Struggle: There are very definite signs of strife between the various government parties as evidenced by the recent attempts to discredit various pro-govt. politicians by others. It is hard to tell what this will result in and whether Arbenz will be able to hold them together. It is rumored that Arevalo is behind the movement to move Arbenz out. Even though Arbenz was his man he may now find that he is not performing as he would want him to. However, it is not felt that this will result in collapse of the communist control. The communists stand to win either way and the military, which is of course the key, has maintained an extremely solid front and would maintain its own position as mentioned under Military Reflections.

7. Provocations: There is a strong rumour around that the govt. is preparing another Salama to bring more A-C elements out into the open where they can be destroyed. I was shown a recent sheet which was widely distributed under the name of a spurious A-C organization which does not exist calling upon the people to take action against the government and detailing how they should go about it. It was very well done. It is being sent along to LIBETHANITE-4 through a messenger as I did not want to carry it on my person. This has further added to the plight of the A-C groups as they are not only desperate from losing their people but these govt. provocations can well totally destroy them. These groups have passed positive orders to their local chiefs to ignore any attempts to be provoked into an action.

8. Dulles Note: Unless this note had teeth in it and was part of a long range plan, it did more harm than good as it served to unite the govt. and to provide them with propaganda ammunition to bring more people into their camp. As I mentioned in my last report I am in favor of a statement of our position by our government, and a strong one - but - a statement against the communist position of the Guatemaltecan government and not in connection with any action on their part against American interests. When we criticize them for actions against American economic interests we leave ourselves wide open for exactly what happened - a cry that we are intervening to protect American capital, which only serves to unite their people. We must stay out of "American Interest" arguments. We gain nothing and the whole sector of the world that is "anti-imperialist" even though also "anti-communist" takes up the shout

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against us. If we make an anti-communist statement everybody is with us - and if we force a change in government in Guatemala, American business interests get their protection anyway. At least they will get a fair hearing which they do not get now. I feel that the Dulles note was a poor move unless qualified by deeper plans. If such long-range plans do exist then I feel that an "anti-communist" note would have served the same purpose to much greater advantage.

9. American Newspaper Blasts: These recent comments by the N.Y. Times and particularly the recent editorial by the Daily News, were in my opinion of much greater value. Even if they were paid for by American interests in Guatemala they were positive and will accomplish something. Present tourist business is at a low ebb. The hotels are losing money and except for the Pan-American, practically empty. Every business that depends directly or indirectly on tourist business is suffering. This October Fair is a last attempt to bring some money in. If we can keep American tourists away we help to weaken their already shaky economy and to vitalize the opposition to push the weakened government over. Along these lines I would recommend that we print by an overt agency, USIS I believe, in which they made a parody on why tourists should go to Russia and brought out all the bad points. We could do the same thing on this October Fair and see that they circulate.

10. Bulletin: Our Bulletin has not been received there for nearly two months and I will check into it when I see LIBERTINE-4 on September 28. Comments have been excellent and during the period after my last trip when it was going through on schedule it had excellent value. Identity B stated that they did not have enough to go around and that they were continually being requested to deliver more. He felt that they could handle 2,400 instead of our present 1,200. I therefore, request permission to double our printing as soon as I find out what is blocking them at the border.

11. Identity [ ] I called on him and discussed his [ ] problems with him in order to maintain our contact and friendship for whatever value it may have. The most immediate value I can see is that I would enjoy his protection in connection with my trips in and out of the country, our relations and the help I can give him serving as a cover for rather frequent visits. He has asked me to line up a firm to discuss his plans for a [ ] in the country and this I will do. It could present an opportunity to plant a man there but it may be better to just play it straight and then use them later if necessary. I request authorization as an operational expense to buy here and send him as a gift, a technical book on [ ] (approved)

12. Col. Julian: In my May report I mentioned that he was in the country. It has been stated that the govt. has been receiving considerable arms and ammunition, Czech, and it is felt that he was the instrument. I believe that Minor Keilhauer was the intermediary between Julian and the govt. Keilhauer is a close personal friend of Arbenz and acted as the intermediary on the govt. contract secured by Morrison-Knudsen for the new port facilities at Santo Tomas.

Conclusions and Recommendations:

I definitely feel that we should arrange for interview of Identity H at the

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SECURITY INFORMATION

MEMO #13

- 11 -

earliest convenience; that we proceed with my recommendations made in May to organize and coordinate all opposition groups; that we provide money, arms and military technical aid plus planes so that the opposition can make a successful revolution. It is no longer expedient for us to delay for the reasons brought out elsewhere in the report. Conditions are such that the opposition groups must make their play now or their later chances of success will be greatly reduced.

Most important of all, if we don't help them they are apparently going to go ahead and take a chance without us. This will greatly reduce their chances of success as they do not have the material with which to work.

The opposition stands an excellent chance of being precipitated into a premature, precipitous action since the government fears an action and would like to create another Salazar to wipe out the organized opposition.

Our aid could be implemented through third countries such as Nicaragua, Cuba, Santo Domingo or any other expedient runner since I presume that we would prefer not to appear as the implementing aid.

If there is any question as to the soundness of my judgement in my reports and recommendations I would suggest that you crosscheck me through other independent reports, through direct interviews with the people involved and other methods of analysis - but do your checking inside the country, not on the periphery. It is quite within the realm of possibility that people like Castillo Armas, Idigoras, et al do like it just the way it is and are not too anxious to gamble on losing a military action.

As far as the future leader is concerned perhaps none of these exiles is the indicated man. Perhaps it should be someone like Col. Miguel Mendoza or some other who has been closer to the scene. Probably the best solution would be a junta made up of two military men and two civilians until elections could be held.

I see the time element as the all-important factor. Even if we would prefer to delay for other reasons I think that conditions are taking the choice out of our hands. We either help to make the action a certain success and win the future friendship of the new government or they gamble on doing it themselves. If they fail we lose a great deal as well. If they win without us, we lose a lot of future collaboration that we should have.

Personally I am, have always been and will continue to be blindly loyal and will carry out any mission that I am trusted with. However, I owe you my honest opinions and I also feel that if for some reason you do not go along with my recommendations or beliefs or if you have valid reasons for not taking action that you should acquaint me with the reasons so that I can do a better job along whatever lines you designate.

27 September 1953.

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