

CIA HISTORICAL RE
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Air Pouch

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~~SECRET/RYBAT/FBSUCCESS~~

26 March 1954

Chief, Western Hemisphere

LINCOLN

Operational
GROUP's Recommendations

REF: [] 050

The attached guidance, in answer to reference, was hand-carried
to CALLIGERIS by Matthew H. ONTRICH, who departed LINCOLN on 25 March 1954.

JEROME C. DUNBAR

JCD/JTN/eaf
26 March 1954

Attachment (1)

Distribution
3 - Washington
2 - LINCOLN

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1. Group agrees that Pancho should publish the fact that DELGADO has sold additional fabricated material to the enemy. Group also agrees with the idea of printing a photograph of DELGADO making contact with the enemy embassy in Nicaragua.

2. Group has the following suggestions to make as to the general story that Pancho should have his papers print:

a. Guatemala is rapidly moving into the forefront of Soviet attention and rapidly attaining priority rating in the list of Soviet attack targets. It is reliably reported to us that a special Soviet Mission has come secretly into Guatemala, without the knowledge of the Government but with the full knowledge of the Guatemalan Communists, and is prepared to launch two decisive blows for the final subjugation of Guatemala to Soviet imperialism.

b. The first of these blows is to induce the present Guatemalan Government to uncover a new "plot" against it. Information reaching us from various sources confirms the fact that the Guatemalan Government will very shortly announce another alleged "plot." Police circles in Guatemala report that they are presently selecting several innocent people to be arrested as alleged members of the "plotting group." From the National Palace, it is reliably reported that the same kind of panic reigns there that preceded the publication late in January of the thoroughly discredited "white paper."

c. We are reliably informed that, as in the case of the "white paper" the Guatemalan Communists are pushing President Arbenz to the decision to announce the "plot" and to arrest the innocent victims of this new wave of Communist-Arbenz terror. Likewise, the Communist leaders have persuaded President Arbenz to use as the source of Government "information" for the new "disclosures" the same disreputable fabricator that they used for the white paper, namely the Panamanian Jorge Isaac DELGADO. Delgado, who is currently being sought by the Panamanian Secret Police for his activities and his abuse of his diplomatic post, has consented to assist the Guatemalan Government in the fabrication of new "evidence" and it is this evident "evidence" that the Guatemalan Government will publish when it announces the new "plot."

d. Delgado, it will be recalled, was responsible for the fabrications and forgeries that formed the only "proof" that the Guatemalan Government could attach to its white paper. It will be remembered that Delgado furnished to the Guatemalan Government several sheets of paper with the forged signature of Lt. Col. Carlos CASTILLO Armas' and also furnished them with other sheets of paper bearing the signature of one "CENTENO," which Delgado claimed to be a pseudonym used by Lt. Col. Carlos CASTILLO Armas.

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The only flaw in this forgery was that Delgado failed to take the elementary precautions of every fabricator to make the signatures of "Carlos CASTILLO Armas" and "CENTENO," who were supposed to be the same individual, identical. Delgado further furnished several documents, written on the stationery of the H. F. CORDES Company, a German munitions firm. According to these fabrications, the H. F. CORDES Company was supposedly engaged in selling arms and ammunition to Anastasio SOMOZA, Jr. However, after the white paper was published, the H. F. CORDES Company in Hamburg, Germany promptly stated that it had never sold any arms to Nicaragua, but had sold arms to Guatemala. It therefore became evident that the Guatemalan Government had copied the stationery of the H. F. CORDES Company and had turned this fake stationery over to Delgado for use. Delgado then proceeded to fabricate an alleged offer by the H. F. CORDES Company of napalm to Nicaragua in which the napalm's quality was described as being "according to the specifications of the United States;" this technically impossible statement by a licensed arms firm and this propagandistic, crude expression deceived no one.

e. Finally, in the list of forgeries which he prepared for the Guatemalan white paper, Delgado went so far as to forge the signature of Anastasio SOMOZA, Jr. The consequences of this action were very interesting. The Nicaraguan Ambassador to Guatemala took these forgeries to Foreign Minister Guillermo TORIELLO of Guatemala at 2:00 on 1 February 1954. The Nicaraguan Ambassador, so we are told, energetically protested against these forgeries. By a curious coincidence, at 4:00 on the afternoon of 1 February 1954, the Guatemalan Government frantically ordered all the newspapermen in Guatemala City who had received copies of the Delgado forgeries to return them.

f. This official Guatemalan confession of forgery went largely unnoticed, because the public at large was already so thoroughly convinced of the falseness of the documents. However, this official confession is worth recalling prior to the publication by the Guatemalan Government of new "Delgado evidence."

g. Much more interesting than the fabrications which are about to be divulged by the Guatemalan Ministry of Propaganda are the reasons behind the forthcoming "plot" expose. The central reason, agreed upon by Arbenz and the Communists, is the planned purge of the Guatemalan Army. This plan has not gone unnoticed by important army officers and, according to numerous reports, many of them fear for their lives. The plan agreed upon by Arbenz and the Communists is to purge, by dismissal or arrest, key army officers in such a way as to weaken the army irreparably and then to replace the army, as the principal military force of Guatemala, by Communist trained and Communist led guerrilla organizations.

h. Arbenz and the Communists have decided to purge the army not only because Communists can never reconcile themselves to the existence of a patriotic military force, but also because the present Guatemalan Army for all its collusion with the Arbenz-Communist regime, is unwilling to consent to the aggressive plans

that Arbenz and the Communists are hatching. These aggressive plans call for infiltration and invasion of other Central American countries. "Since the army will not readily consent to this aggression, Arbenz and the Communists are putting their trust in the Communist guerrilla forces that are being organized in Guatemala.

i. For the support and the arming of these Communist guerrilla forces, Arbenz and the Communists have been busy importing arms from behind the Iron Curtain. For example, in January several small steamers from Poland landed at Puerto Barrios and discharged a cargo of Soviet rifles, ammunition, and grenades. Major Alfredo MARTINEZ, Chief of the DAN, on his recent trip to Europe arranged for the purchase of additional arms through Czechoslovakia and these arms are to be delivered to Guatemala via Mexico. In Italy, the Guatemalan Embassy has been negotiating for 20mm ammunition and machine gun ammunition. The H. F. CORDES Company, of Hamburg, Germany, has sold twenty-two cases of submachine guns to the Guatemalan Government, and it is probably for that reason that the Guatemalan Government in its "White paper" accused the CORDES Company of selling to Nicaragua.

j. While routine military equipment has been coming into Guatemala or is planned to come in by sea and by land through Mexico, the most sensitive items of the equipment have been landed on the Guatemalan Coast by Soviet submarines. These sensitive items, whose exact description we cannot divulge because to do so would indicate the source of our information, were landed, on at least one occasion, near the Salvadoran border of Guatemala on a finca belonging to President Arbenz.

k. All these arms from Communist countries are destined for the Communist guerrilla forces being built up in Guatemala and none of them are going to the regular Guatemalan Army.

l. What is now being planned by Arbenz and the Communists, after they uncover the alleged "plot" is to use that "expose" as a justification for the declaration of a state of national emergency. Freedom of movement and travel and assembly in Guatemala will be drastically curbed for the evident reason of keeping people ignorant of the foreign arm shipments entering the country and of keeping people ignorant of the actual training of the Communist guerrilla forces that is now going on and will go on at an accelerated rate. In conjunction with this declaration of national emergency, Arbenz and the Communists will halt the distribution of land under the Agrarian Law. Expropriated land that has not been distributed has been especially selected to be used as training grounds for the Communist guerrilla forces and no more of this land, except for token shows, will go to the campesinos. After these police-state measures have been enacted, the purge of the Guatemalan army will be initiated and will be ruthlessly carried out by the Communist guerrilla forces and the Communist secret intelligence service.

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m. There is one aspect of this forthcoming change of developments which, if it were not so tragic, might be interpreted as almost comical. While Arbenz has gone along with the Communist plans that we have reported above, he has hitherto been totally ignorant of the further Communist plans that will be put into operation after this "plot" is discovered and the state of national emergency declared. Once they have affected the purge of the army with Arbenz' connivance, the Communists plan to move rapidly toward their own coup and their own total control of the country, which includes the elimination of Arbenz. The communists coup plans which (as we demonstrate in another article in this issue) are being hatched by a ~~Union~~ ROZUTO and Rogelio CRUZ Wer and will take advantage of the weakened condition of the army and of Arbenz isolation in order to bring Guatemala wholly under Communist sway.

Jaime Diaz

This is the second part of the Soviet scheme.

3. In accordance with the last paragraph of the suggested article, Group urges you to make full use of the Communist party card of Rogelio CRUZ Wer which we have sent to you, and of the information accompanying it. COLON has this material.

4. The above material represents our suggestions. For your various publications and radio facilities, the material should of course be varied in each instance so that it will not have a look of complete uniformity. We leave to you the division of labor among your groups. We, through our independent means, will assist in this campaign.

5. As deception material to be given to MENDEZ, we recommend that you choose the names of a number of Guatemalan politicians and military personnel who are known by you to be opposed by you but are not so completely communistic as to make it unbelievable that they would be on your side. Pass the names of several of these enemies to MENDEZ and tell him at the same time that you are very concerned for the safety of these friends of yours. Please discuss the details of this with Juan Jose.