

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

25 July 1958

MEMORANDUM FOR: Office of the General Counsel

SUBJECT : S. S. Springfjord

The documents concerning the Springfjord case loaned you by Mr. Loftus Becker, State Department Legal Advisor, have been reviewed and the following comments are forwarded for your possible use in further discussions on the matter:

1. The report made by Mr. Rafael Valls, attorney for the claimants, concerning his visit to Guatemala indicates that he was cordially received by President YDIGORAS, Mr. Rosal, the President's private secretary, and the President's Aide de Camp. Mr. Valls further states that ROSAL and the Aide told him they were anxious to arrive at a settlement; and that he (Valls) was received by the Foreign Minister in a cordial manner. Valls expresses surprise at being asked to leave the country as the apparent result of an unguarded remark made to the President by the local representative of the claimants. Several factors may be the cause of this apparent reversal of attitude on the part of President YDIGORAS. First of all, Guatemalans are naturally polite, and it is only to be expected that Valls received an initial friendly reception. Because of the Guatemalan character, it is not unlikely that this friendly reception may have been for the express purpose of determining the exact nature of Valls' proposals entering into negotiations. It should be kept in mind that deception is common political and business procedure in Guatemala. Another logical explanation for the apparent reversal is President YDIGORAS' own nature. The President is known to be a moody, almost schizophrenic, individual, who is extremely Anglophobic. Further, although YDIGORAS' advisors may want to make a settlement of the claim, they have little or no control over the President who regularly disregards the advice of his Cabinet and other close associates.

2. Valls proposes that the United States Government take the lead in diplomatic representations to pressure the Guatemalan Government into making settlement of the claim. He further proposes that the United States give this diplomatic claim first priority and that settlement be made a condition to further US aid or loans. Several reasons exist for not having the US Government intervene in the matter:

- a. All diplomatic and unofficial representations for settlement have thus far been at the initiative of, and conducted by, the British. Should the United States Government intervene in the matter officially at this time, the Guatemalans will regard this as intervention as

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pressure on behalf of the British, not based on genuine United States interests. Because of the general animosity towards the British, and YNIGORAS' personal dislike of them, such a representation by the United States would be almost foredoomed to failure, and would arouse considerable antagonism on the part of the Guatemalans towards the United States.

- b. Further complications arise out of the fact that the Guatemalans admittedly are aware that the plane which bombed the Springfjord may not have been Guatemalan. (See page 9 of Mr. Valls' report.) Obviously, the United States Government is not in a position to press vigorously for settlement of the claim since the Guatemalans could use their knowledge of PERSUCESU, although it may be limited, to embarrass the United States. This would limit any representation to a mere pro forma request to the Guatemalans.
- c. United States economic policy in Guatemala is designed to strengthen the economy and raise the standard of living in order to eliminate the climate for the growth of Communism. If further aid or loans were to be conditioned on prior settlement of the Springfjord claim, this important economic program could be seriously affected, on behalf of what is basically, a minor financial claim. Manifestly, no such precedence can be assigned to the Springfjord claim.

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