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CIA HISTORICAL REVIEW PROGRAM
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MEMORANDUM FOR: Chief, Western Hemisphere Division
SUBJECT: Guatemala; conference with Messrs Leddy and Mann.

1. I understand that Mr. Esterline is in the process of drawing up a full memorandum of our important discussion of yesterday afternoon with Messrs Leddy and Mann. Had I known that we were going to cover so many important policy questions I would have asked for the meeting to be a larger one and certainly for you to have been included. I might also have asked for General Cabell to be included, because of his keen and continuing interest in the situation in Guatemala. General Cabell has repeatedly stated to me that he wants us to be absolutely certain that enough attention is being devoted to developments in Guatemala not only within CIA but also -- in so far as we can with propriety see to it -- within the State Department. General Cabell is concerned -- and I think rightly -- on the score that as long as the situation in Guatemala remains as unsettled and as explosive as it presently appears to be, this Agency has a continuing responsibility along various lines which are not limited to the reporting of significant developments as they occur and to our covert PP activities -- but rather extend to the furnishing to State for its consideration of any substantive ideas which may occur to us and which we believe might be of help in strengthening the situation in Guatemala.

2. On the basis of the two rather alarming telegrams which we received last night, General Cabell this morning requested me to reconstitute within the DD/P area a special task force to follow the Guatemalan situation constantly for the purpose of being absolutely certain that we are missing no bets and leaving nothing undone which we are in a position to do. [This same task force -- possibly supplemented by your Honduran desk officer -- might operate in a similar capacity as regards the developing political crisis in Honduras, which will surely require some very close following. Further as regards Honduras, I have, pursuant to the request of Ambassador Willauer and the suggestion of Mr. Leddy, spoken to Mr. Joseph Alsop briefly with a view to interesting him in doing some columns high-lighting the developing crisis in Honduras and focusing US public attention on it. Mr. Alsop seemed interested and willing to do something about this, and observed to me that he was contemplating making a visit to Honduras at the invitation of Ambassador Willauer, but he said he would have to have some factual background material concerning the principal figures and issues there prior to his departure.]

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3. In Mr. Esterline's memorandum I trust that he will bring out the salient points of the discussion, including the following:

a. Messrs Leddy and Mann readily acknowledged that in the present phase in Guatemala, the State Department has the primary responsibility for formulating the policy of this Government as well as for calling upon this Agency to take action along certain lines that fit within our charter and come within our capabilities. At the same time they made it very clear that they hoped and expected to continue to work together closely with us "as a team" and they made it clear that they would at all times welcome our suggestions and recommendations, not only as regards courses of action which might be taken by us, but along more general lines. These statements were made in response to a direct question from me as to whether it was entirely clear as between us where the leading responsibility lies. I pointed out that ever since the conclusion of the "action phase" of PBSUCCESS we had endeavored to make it clear not only among our own personnel and to our station, but also to Mr. Holland, Mr. Leddy and others in State that we no longer considered that we had the responsibility for calling the plays. Mr. Leddy acknowledged that this was so and that this position on our part was, of course, acceptable and even welcome to the Department.

b. Another very important point discussed was that which concerned the matter of what political faction or element the US Government should support. It was agreed that for the foreseeable future our main support should be given to Castillo Armas and that the time is not yet come when it is clear that support should be withdrawn from him and shifted to another element -- for example, the faction which is represented by Cordoba Cerna. We should continue to maintain contacts, of course, with all elements for the purpose of exerting influence upon them to conform to the best and wisest pattern of action and for the further purpose of avoiding friction between the political elements which are essentially friendly to the United States but at present quarreling among themselves.

c. As regards the Guatemalan professional officer corps, it was agreed that US policy should be to encourage the officers to believe that the United States Government will support the Army to the extent of modernizing it and building it up within reasonable limits; but at the same time making it clear to the military leaders that

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they should not involve themselves in political intrigue or attempts to undermine the Government of Castillo Armas. Concerning the key problem of Colonel Monzon, it was felt that he should be gently phased out of his present position rather than shoved out in any precipitous way, in view of the probable strong adverse reaction on the part of the Army to a precipitous move against Monzon. It was further understood that both the Embassy and our station would continue to make it a top priority matter to observe and follow closely the activities of Monzon with a view to determining just where he stands today and just what he is up to. Of course, if it should prove that he is really plotting and conspiring against Armas or lending himself to the plots and designs of others — then the policy toward Monzon would be much sharper and more abrupt in its consequences.

d. Concerning the troublesome and unsettled matter of the so-called political "asylees" it was agreed, after considerable discussion, that whereas there is no fully satisfactory solution of this problem it would be the best and wisest course to at least attempt through a series of diplomatic negotiations involving new approaches to the Guatemalan Government and also to certain of the governments who are granting political asylum, to the end that a number of the key "asylees" would be provided the opportunity of going to Russia. It was seriously doubted that Russia would be willing to accept them or that most of them would be willing to go if given the opportunity — but it was felt that if they should go this would have the benefit of removing them far from the scene where they could actively engage in conspiracies and plots to overthrow the present anti-Communist regime. If they should not be invited to go to Russia, nothing would be lost and, on the contrary, a considerable amount of propaganda capital could be made out of the "Soviet refusal to bail out its agents and stooges when they run into trouble." * There was some discussion to the effect that in the event of Soviet unwillingness to receive these persons, some other area behind the Iron Curtain might take them. It was agreed, after much discussion, that the most dangerous place for them to go would be Mexico, not only because of its proximity to Guatemala, but also because of the opportunities which exist there for them to receive support, encouragement and even leadership from the international Communist apparatus, as well as from the generally tolerant and "soft" attitude and position of the Mexican Government.

* See footnote at bottom of page 4.

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4. You are aware of the further conversations which we had this morning, including a long talk with Mr. Leddy informing him of all of our views and urging him to arrange at the earliest possible moment for all the steps necessary to be taken within the Department (a) to firm up the policy decisions on all of the critical points above mentioned, and (b) to get off appropriate instructions to the Embassy as well as guidance of a specific nature to CIA. Mr. Leddy undertook to move on these matters as rapidly as possible and to set up a meeting with Mr. Holland and Mr. Mann for this purpose.

FRANK G. WISNER
Deputy Director (Plans)

cc: DDCI ✓
SA/DCI/P
ADD/P/PP
Mr. Esterline

FACTNOTE: For a further spelling-out of the rationale of this proposal, reference is made to our memorandum of 3 August entitled "Proposal of Combined Department of State and CIA for Action to Exploit Asylee Situation in Guatemala". This memorandum pointed up the various psychological and propaganda advantages which might be achieved through this particular approach, including the fact that if a number of the top Communists should, in fact, go to Russia this would serve to highlight and underscore the fact of Soviet intervention in and responsibility for developments under the Arbenz regime. This fact, of which we are satisfied, is still inadequately believed and little heeded in other important countries in the Western Hemisphere, including particularly Mexico, Chile and Brazil. I was orally informed by Mr. Leddy a few days after the submission of our memorandum dated 3 August, that Mr. Holland had used this memorandum as the basis for a discussion with his staff and had commented most favorably upon the memorandum as regards both its substance and its exposition. By this as it may, it seems to me that a considerable amount of time has expired without much progress having been achieved along the lines of recommended action.

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