

CIA HISTORICAL REVIEW PROGRAM

RELEASE AS SANITIZED

CLASSIFIED MESSAGE

2003

DATE : 28 AUGUST 54

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ROUTING	
1	4
2	5
3	6

TO : DIRECTOR

FROM : GUATEMALA CITY

ACTION: WH (PBS) (1-3) *

INFO : DCI (4), D/DCI (5), SA/PC/DCI (6), COP (7), WH (8)

[J

[208 (IN 40576)

0010Z 29 AUG 54

ROUTINE

PRECEDENCE

TO: DIR

CITE: SQUAT

RE: QUAT 185 (IN 39009) DIR 14411 (OUT 71240)

HAVE HELD FURTHER SERIES CONVERSATIONS WITH CONTACTS THIS SITUATION AND FOLLOWING IS RESUME INFO OBTAINED.

1. POLITICAL SITUATION CONTINUES TO WORSEN WITH PROBABILITY THAT GROUPS REGULAR ARMY WILL SOON ATTEMPT COUP OR WHEN AND IF CADETS PARTICIPATING IN AUG 2 AND 3 UPRISING ARE SENTENCED BY COURT MARTIAL.

2. [J HAS REFUSED TO DEPART ON SCHEDULED TRIP OUTSIDE WSBURNT PRIOR TO 20 SEPT AND STRONG INDICATIONS HE CONSPIRING WITH DISAFFECTED ARMY ELEMENTS AGAINST CALLIGERIS. IF SO PROBABLE THIS MOVEMENT WOULD BE LAUNCHED PRIOR [J DEPARTURE.

3. [- J MEETING HELD NIGHT 23 AUG BUT NO SATISFACTORY WORKING AGREEMENT REACHED. ACCORDING TO [J AND ESCAIN, CALLIGERIS DOES NOT CONSIDER [J COLLABORATION ESSENTIAL BUT TO CONTRARY IS CLOSELY WORKING WITH JORGE GARCIA GRANADOS IN PLANS FOR OIL DEVELOPMENT PETEREN REGIME.

4. [J STATED MORNING 27 AUG HE BELIEVES IMPOSSIBLE

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REACH SERIOUS WORKING AGREEMENT WITH CALLIGERIS SINCE LATTER ALWAYS PROMISES CARRY OUT [] SUGGESTIONS BUT NEVER DOES SO.

5. [] INSURE CALLIGERIS WOULD BALK AT [] MEMBERSHIP IN JUNTA.

6. CALLIGERIS THROUGH ESGAIN ADVISED BANNISTER HE DESIROUS REMOVING [] FROM JUNTA BUT DESIRES REMAIN AS SOLE HEAD OF GOVT.

7. INSISTENT RUMORS THAT DISHONESTY APPEARING IN GOVT HANDLING OF FUNDS.

8. ESCOBILLA, [] J, ESGAIN, AND ZPSEMANTIC ADVISED THAT CALLIGERIS HAD COLLECTED MORE THAN \$200,000 FOR AID TO ARMY OF LIBERATION BUT THESE FUNDS HAVE BEEN SPENT ON OTHER "CONFIDENTIAL" MATTERS. FUNDS EARMARKED BY ARBENZ GOVT FOR CONGRESSIONAL EXPENDITURE HAVE ALSO BEEN SPENT FOR INTELLIGENCE ACTIVITIES BY CALLIGERIS!

9. [] J AND ESGAIN REPORT CALLIGERIS KEEPS LARGE SUMS IN HIS POSSESSION WHICH HE USES IN EFFORT BUY SUPPORT.

10. ON 25 AUG CALLIGERIS THROUGH ESGAIN REQUESTED \$100,000 FROM BANNISTER FOR LIBERATION ARMY AND NECESSARY EXPENDITURES. BANNISTER REPLIED HE UNDERSTOOD WSBURNT GOVT HAS CONSIDERABLE FUNDS IN PBPRIME BANKS. ON 26 AUG CALLIGERIS REPEATED HIS REQUEST THROUGH ESGAIN. BANNISTER ADVISED THAT HE HAD NO FUNDS BUT WOULD FORWARD CALLIGERIS REQUEST.

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11. ~~MEANWHILE~~ IT KNOWN THAT ARMY OF LIBERATION MEMBERS HAVE RECEIVED AS LITTLE AS \$18 IN TWO MONTHS AND ARE FED THROUGH CHARITY. LIBERATION ARMY LEADERS CONTRARY TO CALLIGERIS ORDERS REFUSE TO DISBAND BECAUSE THEY FEAR SUCH WILL PLAY INTO HANDS OF ARMY WHICH WOULD IMMEDIATELY LAUNCH COUP AND SEIZE POWER. WIDESPREAD BELIEF THAT CALLIGERIS IS EITHER BLIND OR POSSIBLY SOLD OUT TO REGULAR ARMY.

12. C J AND ZPSEMANTIC ADVISED THAT FOLLOWING INDIVIDUALS ARE READY TO RESIGN FROM GOVT IN MASS PROTEST AGAINST CALLIGERIS POLITICAL ACTIVITIES: HECTOR AND DOMINGO GOICOLEA, CARLOS SALAZAR, CARLOS SOSA, CARLOS CIFUENTES, GABRIEL MARTINEZ DEL ROSAL, ENRIQUE SALAZAR LIQUENS, MARIO SANDOVAL, OSCAR COBAR, ADAN MANRIQUE RIOS, MANUEL ORELLANA, ADAN SERRANO AND LUIS CORONADA LIRA.

13. C J HAS CONSISTENTLY PREVENTED THESE RESIGNATIONS BUT BLUNTLY STATED TODAY THAT CONTINUANCE IRRESPONSIBLE ACTIVITIES BY CALLIGERIS WILL FORCE HIM TO PERMIT THE RESIGNATIONS OF THESE INDIVIDUALS AND THE OPENING OF A STRONG POLITICAL CAMPAIGN AGAINST CALLIGERIS. SAID CAMPAIGN TO BE MARKED BY MASS DEMONSTRATIONS OF PROTEST AGAINST CALLIGERIS AND JUNTA POLITICAL ACTIVITIES.

14. C J STATED THAT ARMY OF LIBERATION HAS WITHDRAWN ITS SUPPORT OF CALLIGERIS AND HAS PLEDGED ITS SUPPORT TO HIM.

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15. ON 25 AUG COL MANUEL DE JESUS PEREZ, COMMANDER OF THE LIBERATIONS UNITS IN JUTIAPA, WAS ORDERED BY CALLIGERIS TO DISARM HIS MEN. PEREZ REFUSED, SENT HIS 300 WELL ARMED MEN TO JALAPA AND HIMSELF CAME TO CAPITAL WHERE HE DEFIED CALLIGERIS AND PLEDGED HIS SUPPORT TO [] J. [] SENT PEREZ TO PUERTO BARRIOS TO TAKE COMMAND OF TWO COMPANIES OF LIBERATION ARMY WHICH ALLEGEDLY CONTROL THAT PORT. PEREZ STATED HE WOULD REMAIN MAXIMUM OF ONE MONTH UNLESS AN ANTI-CALLIGERIS MOVEMENT WAS LAUNCHED.

16. COL JORGE BARRIOS SOLARES, COMMANDER LIBERATION FORCES IN CHIQUIMULA, IS ESTIMATED HAVE APPROX 800 MEN STILL UNDER ARMS. BARRIOS SOLARES REFUSES OBEY ORDERS FROM CALLIGERIS AND JUNTA AND HAS ALSO PLEDGED LOYALTY TO [] J. CHIQUIMULA FORCES NOW BETTER ARMED THAN BEFORE AND HAVE LIGHT AND HEAVY ARTILLERY AS WELL AS MACHINE GUNS.

17. COL ERNESTO NIEDERHEITMAN, COMMANDER OF BASE MILITAR, HAS PROMISED FULL SUPPORT TO [] J AND HAS DRAWN UP PLANS TO NEUTRALIZE AURORA AIR BASE IF THE AIR FORCE DOES NOT SIDE WITH [] J WHEN AND IF EMERGENCY ARISES. [] J STATED HE MAY BE ABLE TO TAKE OVER AIRFORCE THROUGH LT GUILLERMO MENDOZA AND COL LUIS URRUTIA DE LEON. NIEDERHEITMAN HAVING DIFFICULTIES WITH THE BASE MILITAR BECAUSE CALLIGERIS HAS PERMITTED UNFRIENDLY, PRO-REGULAR ARMY OFFICERS TO BE PUT IN SUBORDINATE POSITIONS IN BASE. NIEDERHEITMAN ADVISED HE INTENDS TO REMOVE THESE OFFICERS

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AS SOON AS POSSIBLE.

[] 18. GUARDIA DE HONOR UNDER COMMAND OF COL FRANCISCO OLIVA,

[] IT DOUBTFUL THAT COLONEL OLIVA COULD CONTROL GUARDIA DE HONOR SINCE MAJORITY OFFICERS ARE REGULAR ARMY.

19. CEUA PICKED SOLDIERS HAVE BEEN INFILTRATED INTO BOTH GUARDIA DE HONOR AND BASE MILITAR AS REPORTED BY GUAT 185. THESE SOLDIERS ARE EXPECTED OPPOSE ANY EFFORTS ON PART REGULAR ARMY AGAINST GOVT OR AGAINST LIBERATION ARMY.

20. COLONEL ANTONIO ESTRADA, COMMANDER ZACAPA ZONE, HAS PROMISED FULL COLLABORATION.

21. GARRISONS OF COBAN AND QUETZALTENANGO CONSIDERED AS [] HE MAKING EFFORTS GAIN CONTROL GUICHE AND JUTIAPA GARRISONS.

22. SAID ESODIC 1 WAS HIS MAN.

23. INFERRED HE WILL SEND REPRESENTATIVE DISCUSS MATTERS WITH [] WHO DISPLEASED WITH CALLIGERIS.

24. ADVISED THAT TRUJILLO HAS OFFERED ARMS BUT ONLY IF ODYOKE APPROVES.

25. [] REQUESTED BANNISTER FORWARD THIS INFO WITHOUT DELAY AND, KNOWING OF CALLIGERIS REQUEST FOR FUNDS OSTENSIBLY FOR LIBERATION ARMY AND CONFIDENTIAL EXPENSES, ASKED THAT 100,000 BE

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GIVEN HIM AND NOT TO CALLIGERIS. [] STATED THAT CONTINUED EXISTENCE FOR NEXT SIX WEEKS OF LIBERATION ARMY IS ONLY GUARANTEE THAT ANTI COMMIES AND CAUSE WILL NOT BE ELIMINATED THROUGH ARMY COUP FOLLOWED BY MASSIVE RETALIATION ON PART OF ARMY AND COMMIE ELEMENTS. *out*

26. MEANWHILE HAVE PICKED UP STATEMENTS ALLEGEDLY MADE BY CALLIGERIS IN CONFIDENCE INDICATING HE TRYING WIN OVER REGULAR ARMY BY INFERENCES HE WILL REBUFF AMERICANS. OBVIOUS THAT HE CUTTING GROUND OUT FROM UNDER NATIONAL COMMITTEE OF DEFENSE AGAINST COMMUNISM. COMMENT: FEEL SERIOUS TROUBLE INEVITABLE UNLESS CALLIGERIS GETS TOGETHER WITH [] ON LOYAL (RCVD UNLOYAL) BASIS, ELIMINATES HIGHLY SUSPICIOUS, OPPORTUNISTIC ELEMENTS FROM POSITIONS AS ADVISERS, AND ADOPTS MORE REALISTIC POLITICAL LINE.

out
REQUEST ADVISE SOONEST CONCERNING CALLIGERIS AND [] REQUEST FOR FUNDS. THOUGH FUNDS COULD BE DELIVERED TO [] WITHOUT DIFFICULTY BELIEVE THAT, IF DECIDED GIVE TO HIM, BETTER THIS SHOULD BE DONE THROUGH BANK IN PBPRIME RATHER THAN THROUGH STATION.

Comment
BELIEVE NECESSARY THAT LIBERATION ARMY BE MAINTAINED DURING THIS CRITICAL PERIOD WHEN POLITICAL TENSION RAPIDLY REACHING EXPLOSIVE POINT. END OF MESSAGE

CABLE SECRETARIAT COMMENT: -A) MR, ESTERLINE, WH, NOTIFIED OF RECEIPT OF THIS MESSAGE AT 2100, 28 AUG 54.

B) TREATED AS RYBAT PBSUCCESS

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