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CLASSIFICATION

DATE 1 JUL 1954

TO PBSUCCESS, Headquarters

FROM LINCOLN

SUBJECT GENERAL KUGOWN
SPECIFIC Foreign Policy and Propaganda Problems, caused by
final phase of PBSUCCESS

1. Attached is an excellent paper by Elmer F. LUKETY on Foreign Policy and Propaganda Problems. It was written as a LINCOLN staff paper but it has so many useful ideas I am forwarding it.

2. LINCOLN strongly recommends that the ideas (many of which have been cabled) be put into effect immediately in so far as possible.

[] WILLIAM D. PLAYDON

Attachment: as noted

William D. Playdon/ []

23 June 1954

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22 June 1954

MEMORANDUM FOR: C/P

SUBJECT : Foreign Policy and Propaganda Problems, caused by
final phase of PBSUCCESS

1. The following tentative notes on subject are submitted for your consideration and possible recommendations to HQ.

2. The actual invasion of Guatemala by the CALLIGERIS forces has resulted in at least three, possible more, groups of pressing problems of foreign policy and propaganda (i.e. affecting third countries, neither Guatemala, nor the domestic policy or public opinion situation inside the U.S.), to wit:

- a. Guatemala's appeal to the U.N.
- b. Direct Soviet action in the Western Hemisphere
- c. Non-communist reaction abroad

3. I believe that these problems have a considerable bearing upon the foreign policy and external security of the U.S. They have been provoked by CIA action and might have to be solved again, at least in part, by further CIA action, and it appears to be therefore our duty to take a stand on these problems. This duty undoubtedly rests mainly with HQ, not with the field: however, considering the reluctance of HQ to anticipate and prepare for such general policy developments, as illustrated in the case of their failure to plan in advance for the consolidation phase of PBSUCCESS and considering further, that any development, actually or potentially embarrassing the U.S. Government, directly or indirectly originating with PBSUCCESS is likely to be blamed on LINCOLN, you might wish to present certain views and considerations concerning subject to HQ, in order to demonstrate that the responsible officers at LINCOLN were at least fully aware of the dangers in the international field in connection with PBSUCCESS - even though LINCOLN itself must not be expected to solve these problems.

4. Said problems are likely to plague the U. S. Government for a considerable time to come, regardless of whether PBSUCCESS wins, loses or results in a stalemate (the latter is difficult to visualize, but should not be discarded beforehand as at least a theoretical possibility). Of course, a quick victory by CALLIGERIS' forces would improve our situation immeasurably - but it would hardly dispose of the problems under discussion. If such victory is not a matter of the next few days, these problems in turn may tangibly (or even decisively) influence the outcome of the paramilitary conflict as well: The impact of U.N. action, of foreign public opinion, of foreign attacks upon the U.S. may sway public opinion in Guatemala, more specifically the attitude of the army and of the government, all the more effectively the longer the military decision remains in the balance.

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5. The main weaknesses of U.S. policy in all three fields listed in para 2 above are

- a. lack of aggressiveness and initiative
- b. lack of advance planning and proper coordination between overt and clandestine action

At this moment, so far as I can judge from here, the advantages are mostly on the enemy side. He had enough information to anticipate our time table with precision, he took the initiative by bringing the case before the U.N. - much faster and more dramatically than our cautious maneuvering aimed at getting some limited OAS action - and before the public opinion of the world, while we are on the defensive along the entire line, barely able to present a plausible denial and to expose the more barefaced lies in the enemy 'case,' but unable (and apparently unprepared, too) to recapture the initiative which we had successfully seized when the ALFHEM appeared in Puerto Barrios but which we had lost gradually since.

6. Unless drastic and effective action is taken at once, PBSUCCESS may result in increased rather than reduced Soviet-Communist influence in the Western Hemisphere, even if CALLIGERIS forces win militarily. In the latter case, many Latin American countries may be looking for an outside ally to protect them - against further U.S. intervention - and the Soviet Union, by its arms shipment to Guatemala by its impressive espousal of Guatemala's case before the U.N. Security Council and in a world-wide campaign virtually unopposed by U.S. or other friendly overt media, as well as by its advancement in Asia, is certainly the logical power to which to turn. Needless to say that if the CALLIGERIS forces lose, the superior prestige of the Soviet Government and of the international communist movement as protector of small nations against "Yankee imperialism" will have been solidly established. In this event, we must expect an immediate landslide towards Communism throughout Latin America. In either case, the interrelationship between communist victory in Indochina and communist progress in Latin America should be kept well in mind.

7. In addition to Soviet-Communist aggressiveness and unfavorable Latin American reactions, we ought to note unfavorable non-Communist reactions in Europe and Asia as well. Radio press reviews received from the FBIS news ticker here indicate that many generally pro-Western, pro-U.S. or in any case staunchly anti-communist media, including the British Labor Party, the Swedish Social Democratic Party, Radio Cairo, many others, condemn "invasion." Only notable exception is Germany Chancellor Adenauer. The general tendency of all these varied media is to underestimate the communist threat in Guatemala (another case of "Agrarian reformers") and to brand the "invasion" as a "relapse into Dollar diplomacy" or something similar, making consciously or unwittingly use of standard communist arguments, especially in linking the U.S. State Department to the interests of the United Fruit Company.

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8. Counter-action is most urgently, desperately needed in the U.N. set-up because it is there that fastest enemy action is taking place: moreover, all U.N. moves are virtually certain of world-wide publicity and can therefore do double duty to influence world public opinion, too. In order to resume the initiative, steps like the following would appear to be in order:

a. Honduras, or possibly Nicaragua, ought to file a complaint against Guatemala with the Security Council, thus turning the "plaintiff," Guatemala, into a defendant as well; such complaint might be based on instances of Guatemala interference internal affairs of Honduras, Nicaragua; possibly these countries may also declare to feel threatened by disproportionate arms shipments to Guatemala;

b. Guatemala might be accused of terroristic government methods, endangering the peaceful relations with other Latin American countries; well-known cases of police torture, expulsion under inhumane conditions etc. might be brought before the U.N.

c. Another attempt to divorce the U.S. case against the Arbenz regime from the UFCO claim might be made, for instance, by having the U.S. delegate in the Security Council ask Guatemala's consent to submit the UFCO claim to arbitration before the World Court or some other suitable international forum, thus stipulating that said claim has nothing to do with U.S. complain against Guatemala.

d. If the State Dept. does not want to submit a White Paper of its own (as we previously suggested), it might at least submit as a U.S. Document - and thus force distribution to all member governments of U.N. - a comprehensive indictment of the Guatemalan regime prepared by private sources. The document entitled "The Case of Guatemala," written by CALLIGERIS people for SUMMIT, might conceivably be a ready made answer to this requirement. Of course, it would look better, if, for instance, RNSHIELD could, on behalf of SUMMIT, submit said report to the Mexican government and the latter would submit it to the U.N. Security Council: given the strained relations between RNSHIELD and the Mexican government, this does not look likely - but another such way, omitting direct U.S. Government action, might be found, if we look hard enough.

9. The over-all undesirable effects of PBSUCCESS upon non-communist governments and public opinion abroad, especially in Europe and in Asia, threaten to be far-reaching, long-lasting and quite grave. A well planned and effectively implemented campaign, combining overt and clandestine techniques on a large scale, seems therefore in order. LINCOLN is not the right place to draw up such a comprehensive plan and the following suggestions are therefore made only as possible con

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tributions towards such a plan (which HQ, in cooperation with the State Dept. and presumably under the authority of the National Security Council ought to work out).

10. Overt (official U.S. Government) Action: U.S. policy on Guatemala, as implemented in the U.N., in the O.A.S. and possibly through action of the U.S. Navy and other government agencies, should be explained to foreign governments and public opinion at large through

a. A speech by the President, reassuring both Latin America and the neutral nations in Asia (as well as public opinion everywhere) that our "hard" stand in the case of Guatemala is no deviation from the "good neighbor policy," no "relapse into dollar diplomacy," no indication of any disregard of the sovereignty of even the smallest nation, but an indispensable security action against Moscow's beachhead in America. This speech, however, must not be primarily defensive, but must also attack the international communist conspiracy, enumerating Moscow's destruction of sovereign little and larger nations the world over, utilizing intelligence on the Prague center of communist activities in Latin America, on Guatemala CP leaders' travels behind the Iron Curtain and other pertinent evidence.

b. A White Book by the State Dept., summarizing the U.S. case against Guatemala and against Moscow's interference in the Western Hemisphere

c. A strong USIA campaign along the same lines.

11. Overt, unofficial action. It is undesirable, also for reasons of non-attributability for PBSUCCESS, to have the burden of the suggested world-wide campaign borne by official U.S. agencies alone, even though I would consider very strong and decisive official action, as tentatively suggested above, absolutely indispensable. Furthermore, the testimony of the U.S. Government will not be generally accepted at face value: quite apart from general anti-U.S. trends, even pro-Western and pro-U.S. governments, groups and individuals may consider us to be a party in the case and therefore prejudiced, to say the least. It is therefore recommended to supplement official action as suggested in the preceding para, by other overt activities, such as

a. Publications and other overt activities by other Latin American governments, e.g. a White Book by Honduras, etc. ✓

b. An international protest campaign against political murder, torture of prisoners and other symptoms of the totalitarian police state in Guatemala (even if that should be a matter of the past by the time the action gets under way), to be undertaken by liberal and labor groups, the AF of L, ORIT, the Ameri

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can Civil Liberties Union (?) and suitable national outlets in key countries the world over

c. Action by anti-Communist groups, possibly a world-wide campaign by the permanent SUMMIT organization, by the National Committee Free Europe ("Latin America must not repeat our experiences") and other suitable outlets.

12. Non-overt diplomatic action. APART from whatever diplomatic action may be already under way or contemplated (a) to obtain the support of other countries for the U.S. stand in the U.N., (b) to prepare the expected meeting of O.A.S., I submit that official, non-publicized steps should be taken by the U.S. ambassadors in countries likely to be particularly affected by the undesirable impact of PBSUCCESS - for instance, India, Indonesia, Egypt, etc., explaining to the Foreign Ministers of those countries on a "confidential" basis (even though not involving exposure of any sensitive information, to be sure) the attitude of the U.S. in the case of Guatemala, reassuring them - along the lines of the President's speech, suggested para 10(a) above - that this does not imply any change in the U.S. basic respect for national sovereignties, etc. Such presentation may include an implied warning that, if international communism gains a permanent foothold in Latin America, this increases the trouble spots where World War III might break out so that it is in the interest of all peace-loving nations to let the U.S. prevent such a development.

13. Clandestine post-PBSUCCESS action. Some of the activities outlined in para 11 above are definitely CIA responsibilities. In addition, it would appear that CIA ought to work out its own operational plans as part of the frame work of the over-all plan suggested in the present paper. Such operations might, for instance, include (this is not to be construed as a finished draft plan, but just a few examples):

a. Releasing intelligence concerning Guatemala and international communist activities in the Western Hemisphere to overt US government agencies and other overt outlets in support of the overt action recommended above;

b. Providing black material tending to justify PBSUCCESS even after the fact;

c. Devising a long-range program of penetrating the Communist Parties in Guatemala and other key WH countries, anticipating greatly increased Soviet-Communist activities throughout Latin America in the next few years, whether PBSUCCESS wins or loses;

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d. Provocation operations, especially along anti-religious and anti-national lines;

e. Suggesting to international labor and liberal (incl. social democratic) circles, they might, instead of criticizing U.S. "intervention", rather take some positive action to frustrate communist designs on Latin America (Note: the virtually complete absence of any non-communist labor or liberal movement in Guatemala was undoubtedly one of the most significant elements permitting easy communist victory);

f. [

14. The above are just some off-the-cuff suggestions for a "crash program," caused by having to look at the flood of anti-U.S. reactions which the final phase of PBSUCCESS has provoked in the last few days and by impatience with the apparent lack of diplomatic, political and psychological initiative equal, or better superior, to the remarkable performance of the Guatemalan communists under expert Moscow advice and control. The present paper omits therefore any reference to a necessary analysis of the outcome of PBSUCCESS, whatever the outcome may be: such an analysis, especially in the political, sociological, and psychological fields, but directed at our own operations as well, ought to be undertaken before further long-range WH plans are made. Certain experiences, e.g. the relationship between agrarian reform and the effectiveness of communist propaganda, seem to be applicable not only throughout WH, but in Asia, Africa, certain European countries (Italy!), too.

ELMER F. LUKETY

CHIEF/ PP

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