

## CLASSIFIED MESSAGE

ORIG: FRANK G. WISNER  
 UNIT: DD/P  
 EXT: 603  
 DATE: 14 JUNE 1954

~~SECRET~~  
 SECURITY INFORMATION

ROUTING			
1		4	
2		5	
3		6	

TO: SR. REP., LINCOLN

FROM: DIR, CIA

CONF: DD/P (L) (1)

INFO: DGI (2), D/DGI (3), WH (PBS) (4-6), WH (7), SA/PC/DGI (8)

CIA HISTORICAL REVIEW PROGRAM  
 RELEASE AS SANITIZED

2003

DIR 04727 (OUT 53592)

1943Z 14 JUN 54

PRIORITY  
 PRECEDENCE

TO: SLINC

CITE: DIR

RYBAT/PBSUCCESS

1. WE UNDERSTAND TERMS OF SETTLEMENT ANNOUNCED 12 JUNE OF STRIKE AGAINST  
 GUAT  
 FRUIT COMPANY IN ~~RECENT~~ ARE FAVORABLE TO COMPANY, LESS THAN WORKERS EXPECTED,  
 HOUDURAS  
 AND LESS FAVORABLE THAN TERMS DEMANDED BY STRIKERS IN ~~RECENT~~. WE ARE  
 CONVINCED THIS OFFERS EXCEPTIONALLY FAVORABLE OPPORTUNITY FOR CALLIGERIS BY  
 SUITABLE PUBLIC STATEMENT TO DISSOCIATE HIMSELF AND HIS MOVEMENT FROM FRUIT  
 HIS  
 COMPANY AND TO DEMONSTRATE ~~THE~~ INDEPENDENCE OF PBPRIIME GOVERNMENT.

2. WE HAVE IN MIND SOMETHING ALONG FOLLOWING LINES, ~~IN~~ IN WHICH ASCHAM  
 PERSONALLY INTERESTED:

QUOTE: A. THE SETTLEMENT ENGINEERED BY THE ARBENZ REGIME THROUGH  
 FANJUL  
 / ~~KATZ~~, MINISTER OF ECONOMY AND CONGRESSMAN PELLEGER ON TERMS FAR LESS  
 FAVORABLE TO THE WORKERS THAN THOSE THE STRIKERS ARE STILL HOLDING OUT FOR  
 HONDURAS GUAT  
 IN ~~RECENT~~ WAS A SELLOUT OF ~~RECENT~~ WORKERS IN THE INTERESTS OF THE  
 CONSOLIDATION OF COMMUNIST CONTROL OF THE COUNTRY. FACED WITH MOUNTING  
 CRITICISM INSIDE AND OUTSIDE THE COUNTRY FOR THEIR SUPPRESSION OF  
 CIVIL LIBERTIES, ARMING OF COMMUNIST ORGANIZATIONS, AND OTHER

COORDINATING OFFICERS

~~SECRET~~  
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PREPARATIONS FOR COMPLETE COMMUNIST TAKEOVER, ARBENZ AND COMPANY HAVE TRIED, BY A CONCESSION TO THE FRUIT COMPANY, TO BUY OFF THE OPPOSITION OF PBPRIME WHILE THE CONSOLIDATION OF THE COMMUNIST DICTATORSHIP GOES FORWARD. ARBENZ PREFERRED TO SACRIFICE THE WORKERS' INTERESTS TO THOSE OF A FOREIGN COMPANY RATHER THAN TO THROW OUT THE REPRESENTATIVES OF COMMUNIST IMPERIALISM IN HIS OWN GOVERNMENT.

B. THIS CONCESSION TO THE FRUIT COMPANY WILL PLACATE NO ONE. <sup>GUAT</sup> PATRIOTIC CITIZENS OF ~~SECRET~~ KNOW THAT THE COMPANY'S POWER IN THE COUNTRY HAS BEEN TOO GREAT IN THE PAST. FOR THE FUTURE THESE PATRIOTS ARE DETERMINED TO EXERCISE MORE CONTROL OVER THEIR OWN ECONOMIC FATE AND NOT TO ALLOW THE ECONOMIC LIFE OF THE COUNTRY TO BE SO LARGELY IN THE HANDS OF A SINGLE FOREIGN ENTERPRISE, THEY SEE NO VIRTUE IN AN ATTEMPT TO APPEASE THE COMPANY AND NO EVIDENCE THAT ARBENZ' COMMUNIST ASSOCIATES WILL REFRAIN FROM THEIR ATTACKS ON RELIGION AND ON PERSONAL LIBERTY OR THEIR THREATS AGAINST THE PRIVATE <sup>GUAT</sup> PROPERTY OF THE CITIZENS OF ~~SECRET~~.

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C. IF THE PBPRIME GOVERNMENT IS MISLED BY ARBENZ' ACT OF APPEASEMENT THIS WILL SIMPLY BE EVIDENCE THAT IT IS MORE INTERESTED IN THE SELFISH PROPERTY INTEREST OF THE FRUIT COMPANY THAN IT IS IN HALTING COMMUNIST INTERFERENCE WITH THE INDEPENDENCE OF THE AMERICAN REPUBLICS. THIS IS THE TIME FOR THE PBPRIME GOVERNMENT TO LIVE UP TO ITS FINE PROFESSIONS, TO DISSOCIATE ITSELF FROM THE FRUIT COMPANY, AND TO HELP THE OTHER AMERICAN REPUBLICS TO ACHIEVE AND MAINTAIN THEIR FREEDOM FROM BOTH COMMUNIST SUBVERSION AND NORTH AMERICAN IMPERIALISM. UNQUOTE.

3. THE PURPOSE OF THE ABOVE IS:

A. TO TAKE THE ISSUE OF ANTI-IMPERIALISM OUT OF ARBENZ' HANDS AND TAINT HIM WITH ACCUSATION OF SURRENDER TO FRUIT COMPANY AND SELLOUT OF WORKERS.

B. TO CRITICIZE IN GENERAL TERMS COMPANY'S COMPLETE CONTROL OVER GUAT / ~~PERIODIC~~ ECONOMIC LIFE WITHOUT HOWEVER USING LANGUAGE SO STRONG OR SO SPECIFIC AS TO EMBARRASS A NEW REGIME.

C. TO CRITICIZE AT LEAST BY IMPLICATION PAST PBPRIME IMPERIALISM. BELIEVE THESE THREE THEMES WOULD STRONGLY COUNTER ANY CHARACTERIZATION OF CALLIGERIS AS A PUPPET OF EITHER FRUIT COMPANY OR PBPRIME GOVERNMENT.

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4. AS TO CHANNELS FOR SUCH STATEMENT, ASSUME THIS WOULD BE OVERT PUBLIC  
DECLARATION BY CALLIGERIS DISTRIBUTED LOCALLY TO JOURNALISTS AND REPEATED  
WITH PROMINENCE BY SHERWOOD FOR INTERNAL CONSUMPTION.

5. SURE YOU REALIZE THIS APPROACH DESIRED NOT ONLY TO ACHIEVE PP RESULTS  
INTERNALLY IN WSBURNT BUT FOR EXTERNAL CONSUMPTION TO MINIMIZE IMPRESSION OF  
PBPRIME INVOLVEMENT AND TO BUILD UP OUR OWN COVER. REGARD THIS AS URGENT AND  
IMPORTANT MOVE.

END OF MESSAGE.

[ ]  
FRANK G. WISNER  
DEPUTY DIRECTOR (PLANS)  
RELEASING OFFICER

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