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17 August 1953

MEMORANDUM FOR: DIRECTOR OF CENTRAL INTELLIGENCE

VIA : Deputy Director (Plans)

SUBJECT : Guatemala.

1. During the past year the Government of Guatemala and Communist elements within that country have strengthened their position. Army officers have been treated as a privileged class and every effort has been made to insure the assignment of reliable men to key positions. Implementation of the Agrarian Reform Law has further ingratiated the Government with the lower classes. Conversely, the position of opposition elements has deteriorated. Obvious inability to organize an effective program discouraged some previously militant and caused others to avoid risking revolutionary associations. Further, the abortive Salama uprising forced a number of key opposition figures to flee the country and may have reduced their organizations to relative ineffectiveness. Many diverse and potentially powerful elements opposed to the present regime do remain, however, and would welcome the opportunity to act. It is, none the less, improbable that the Arbenz Government can be successfully countered without direct military action in which revolutionary forces must have outside aid.

2. RUFUS is considered to be the most effective potential leader for a revolutionary effort. Necessary contacts with him have been made and extensive groundwork laid. Detailed plans, however, require review to determine their soundness in view of conditions altered during the past year and, particularly, to ascertain whether RUFUS still has the personnel essential for a successful operation.

3. Until July of this year it appeared possible that certain anti-Communist governments of the Caribbean would lend sufficient support in arms, planes and money to RUFUS to permit action. Strong interest was expressed, promises actually made, but broken at the last minute. Our clear instructions, since October 1952, have been to avoid any act which could be considered as "sparking" the revolutionary movement, but to be prepared to assist. It is now evident that insufficient help will be forthcoming from the Caribbean for RUFUS to move. We are therefore faced with two alternatives:

a. Accept the present situation, withdraw the financial support so far given to RUFUS and liquidate the mechanisms which have been set up to assist him.

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b. Through covert channels, supply RUFUS with ALL the arms, planes and money required for a successful operation, providing the review of his assets is positive.

4. Experience with reconnaissance runs of our LCI have demonstrated that this craft is not suitable for the purpose intended. Further, resentment engendered in CINCARIB and 15th Naval District by consequences of the most recent trip makes further activity of this nature inadvisable.

5. Governments of anti-Communist Central American countries bordering on Guatemala require reassurance that the United States is prepared to back them effectively in maintaining a friendly attitude toward our interests and in defending themselves against aggression or self-styled retaliation on the part of Guatemala.

6. In view of the above factors, it is recommended:

a. That detailed plans for RUFUS' field operations be reviewed to ascertain their soundness in the light of existing conditions and to determine whether he still has adequate personnel to support the operation.

b. That a decision be reached as to whether the additional arms and aircraft requested by RUFUS are to be purchased and eventually concentrated at Puerto Cabezas for deployment.

c. That, unless additional arms are made available to RUFUS, material now at DTROBALO not be turned over to him. This recommendation is made to avoid sparking an inadequate effort that might well result in disaster.

d. That, if the answer to b. above is affirmative, consideration be given to transporting the material now at DTROBALO to the Free Trade Zone, Port of New York [ ]ship. Arms purchased for RUFUS may be delivered from points of origin to the Free Trade Zone there to be picked up by RUFUS shipping for movement to Puerto Cabezas. Material from DTROBALO could be handled in the same manner with operational facility and sound security. Mr. Cummings states that he is prepared to handle the licensing aspects of these transactions.

e. That the LCI be disposed of through existing cover by returning it to the ostensible Panamanian owner for sale at the

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best terms obtainable.

f. That military assistance agreements be negotiated between this country and El Salvador, Honduras and Nicaragua. Further, that these agreements include aid in the form of arms for the governments mentioned and that they be implemented with expedition.

WH/JCK/pw

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CWH

[ J. C. KING ]  
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