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CENTRAL INTELLIGENCE AGENCY

4 March 1953

MEMORANDUM FOR: Mr. Allan Evans (OIR)  
Colonel Gerald F. Lillard, USA (G-2)  
Captain Allan L. Reed, USN (ONI)  
Colonel Jack E. Thomas, USAF (AFOIN-2B)  
Captain John A. Holbrook, USN (JIG)

SUBJECT : Field Comments on NIE-70, "Conditions and  
Trends in Latin America Affecting US Security",  
published 12 December 1952

Attached for your information are the comments of the  
American Embassy, Guatemala on NIE-70, which the Department  
of State forwarded to this Office on 27 February.

[ ]  
PAUL A. BOREL  
D/Asst. Director/Adm.  
National Estimates

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American Embassy,  
Guatemala City, Guatemala, February 13, 1953

Dear Mr. Armstrong:

With respect to the request in your letter of December 18, 1952 for comments on the National Intelligence Estimate "Conditions and Trends in Latin America Affecting US Security" (NIE-70, December 12, 1952), I desire to draw attention to and comment on this document's conclusion in Paragraph 53 that "It is improbable that the Communists will gain direct control over the policy of any Latin American state, at least during the next several years", an appreciation which, in my opinion, may somewhat gloss over the Communist potential, at least in Guatemala, for achieving results just as injurious to the security of the United States by clever and effective concentration on influencing events by indirect means as by concentration on achieving direct control of the Government's policy-making apparatus.

In Guatemala, our observation has been that the Communists have thus far dedicated rather minor efforts towards obtaining control of the openly established policy-making positions but have rather aimed at installing their people in positions which will give leverage over influential groups in order to achieve their aims. Thus they have achieved control of the Executive Committee of the Confederacion General de Trabajadores de Guatemala (CGTG), the national labor federation; a large measure of influence over the Confederacion Nacional Campesina de Guatemala (CNCG), the agricultural federation; leadership of the Sindicato de Trabajadores de Educacion de Guatemala (STEG), the teachers' union; key positions in the Instituto Guatemalteco de Seguridad Social (IGSS), the wealthy Government social security agency; close to a policy-making role in the official and pro-Government press and radio; and substantial influence over the actions of the major nationalist "revolutionary" parties on which the Administration bases its organized political support. Additionally, in the current Congress they chose the Special Committees on Agrarian Reform and Labor Code Revision as the committees to dominate and, principally through the CGTG and CNCG, are now attempting to establish their ascendancy over the administrative machinery created to carry out the Agrarian Reform Law of June 17, 1952. On the other hand, so far as can be determined, the Communists have concentrated little or no

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effort to obtain control of the Armed or Police Forces, the Foreign Office or other such key policy-making bodies which would be along a shorter route to gaining direct control over the policy of Guatemala.

This pattern of penetration, while it does reflect the probable Communist realization that their domestic strength and foreign support is presently insufficient to hope for the early establishment of a "People's Democracy" in Guatemala, is illuminating of the real Communist objective here. This is clearly to so disrupt the country's internal structure and foreign relations that its integration into the common efforts of the Western world will be at a minimum, particularly with respect to those efforts designed to safeguard this community against eventual domination by the Soviet homeland of Communism. The Communists themselves have said as much, for instance, in defining the end of their local "Peace" campaign as assuring that "imperialism" will not be able to exploit the country for its "war preparations". To achieve this aim, the Communists have used the leverage of the organizations they have penetrated to mobilize a wide front which upsets the tranquility of Guatemala's relationship to the Western community. Thus they have played up such measures as labor and social security legislation and Agrarian Reform both as a means for capturing leadership of the ill-defined desire for progress of liberal groups and, more importantly, as a means of fomenting debilitating internal strife and dislocations. They have also, however, exploited every tendency to nationalism and autarchy which might serve to break down the ties and good relations of Guatemala with the United States and its friends. (For instance, in the recent Congressional campaign, Sr. Jose Manuel Fortuny, Secretary General of the Communist Partido Guatemalteco de Trabajo, warmly endorsed the demand for higher tariffs of the General Association of Industrialists, a manufacturers' and businessmen's organization normally considered "reactionary" by the Communists.) The exploitation of these dynamic and potentially anti-American factors is the cardinal reason for the "Patriotic Front" which the Communists announced as their tactic in their Party Congress last December (my despatch No. 586, January 5, 1953).

To view the situation here in perspective, then, it is necessary to consider that the neutralizing of Guatemala as a Western nation is the immediate Communist objective and that whether this is done by gaining direct control over national policy or by indirect but wider exercise of influence is a

*no doubt in my mind that the Communist objective, i.e., a truly*

*have a larger range of control of govt - the Communist Party has been to control the machinery & to the masses*

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question of means to achieve that objective, not the objective itself. Thus if the degree to which Communists have gained direct control of the Government is used as the scale for measuring their success and potential, there is danger of a mistaken estimate for the evidence appears to be that the Communists themselves use the degree to which they can achieve the neutralization of the country as their own scale for measuring success.

The most recent developments in Guatemala, concerning the removal of the Supreme Court for opposing the Arbenz administration in an Agrarian Reform decision, provide an excellent example of the degree of success that the Communists already have in stimulating and exploiting events indirectly through its interlocking machinery (my telegram No. 319, February 11 and previous). Here the Communist Party, barely eighteen months after it came into the open and fifteen months after it established control of the CGTC, set itself an immediate goal -- the rapid breaking up of large farms and liquidation of the power potential of the landlords by unrelenting application of the Agrarian Reform Law which was guided through Congress by means of Sr. Gutierrez' Special Committee on Agrarian Reform. To carry out this policy it seemed necessary that the Executive Branch Agrarian Reform authorities act without check from the courts lest the landlords slow up or block the Agrarian Reform through protracted legal proceedings, but on February 2 the Supreme Court in the case of Sr. Ernesto Leal Perez in effect ruled that appeals could be made to the courts when the authorities exceeded their legal limits. The Communists then mobilized the CGTC and CNGC in a campaign to have the Supreme Court Justices who made this ruling ousted and, acting in harmony with President Arbenz, the Communist and pro-Communist Administration leaders in the "revolutionary" parties led a successful floor fight in Congress with the galleries packed with CGTC workers to have the Justices removed for "incapacity". In so doing, the Congress swept aside the independence of the judiciary and exposed the flimsiness of Guatemalan democracy, an accomplishment which illuminates what the Communists can already do by manipulation and indirect control and raises a substantial question whether in the next several years they may not be able to perfect and extend their machinery to such an extent that they will be able to achieve their ends without risking an effort to obtain direct control.

The foregoing is, of course, a presentation to draw attention to the possibilities which the Communists have of realizing their objective through indirect, rather than direct, means and does not outline the anti-Communist counterweights which

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are present and potentially important in the current mixed Guatemalan situation. What the actual result will be during the next several years will depend in part on the outcome of the interplay of pro-Communist and anti-Communist factors in Guatemala and, to a large extent, on the ability of the United States to align its policy to advantage in the shifting scene that those years will doubtless present.

Sincerely yours,

/s/  
Rudolf E. Schoenfeld

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