

CIA HISTORICAL REVIEW PROGRAM

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TO : Chief, WHD

[]-1317
DATE: 28 June 1954

FROM : []

INFO: Guatemala City
Lincoln

SUBJECT: GENERAL— Caribbean Political Affairs

SPECIFIC— Attitude of Venezuela toward
Guatemala and Costa RicaREF: []-772 of 25 June 1954; []-1316 of 25 June 1954;
[]-775 of 28 June 1954

1. There is transmitted herewith a memorandum of conversation on the above subject. The Charge d'Affaires and I were asked to meet with Sr. Pedro ESTRADA, Director of Seguridad Nacional, at his offices at noon on Sunday, 27 June 1954. The conversation terminated at approximately 1:15 p.m. at which time ESTRADA left for a luncheon with President PEREZ Jimenez. The highlights of the conversation were transmitted in []-775.
2. In my personal opinion the conversation boils down to a warning to the United States either to use its good offices to force FIGUERES to cease his hostile attitude toward Venezuela and to rid his country of all elements conspiring against the Venezuelan regime, or to face the prospects of an eventual war between Venezuela and Costa Rica. ESTRADA, again in my opinion, was endeavoring to make the point that Venezuela is the dominant country in the Caribbean area and that it has as much right to be concerned about anti-Venezuelan activities in Costa Rica as the United States has to be concerned about anti-U.S. activities in Guatemala, and that if Venezuela's position is not given due consideration by the United States and other interested countries Venezuela will have no recourse but to resort to independent and unilateral action.
3. I believe it would be a grave mistake on our part to write off ESTRADA's threats against Costa Rica as so much idle boasting. While I feel certain Venezuela would prefer to see the situation at Costa Rica cleared up without the necessity of armed intervention, we should not discount the possibility of direct military action by Venezuela in the event no moves are made in that direction and she should feel her security menaced by the BETANCOURT-FIGUERES alliance. I am sure that ESTRADA must now feel that we have had fair warning of Venezuela's attitude and probable intentions.
4. At his request a copy of the attached memorandum has been made available to the Charge d'Affaires who is reporting directly on the matter to the

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Department. The Charge has read the attached memorandum and agrees that it accurately and fully covers the interview which we had with ESTRADA.

[]
Woodrow C. Olien

Attachments:

Memorandum of Conversation with ESTRADA

WCO/lac

28 June 1954

Distribution:

- ✓ 4 - Headquarters, w/3 copies of att. (1, w/att. - Lincoln)
- 1 - Guatemala City, w/1 att.
- 1 - [] w/1 att.
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- 2 - Files, w/1 att.

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ATTACHED TO [] 1317
28 June 1954.

MEMORANDUM OF CONVERSATION WITH PEDRO ESTRADA

PLACE: His office in National Security Building

TIME: 27 June 1954, 12:00 noon to 1:15 p.m.

PARTICIPANTS: [] Charge, Estrada

SUBJECT: Venezuelan Feeling toward Guatemala and Costa Rica

1. In our conversation today, the emphasis (by Estrada) was on Costa Rica, rather than on Guatemala. Although Estrada has always made it clear that Venezuela considers Costa Rica (specifically the tie-in between Figueres and Betancourt) as the burning issue, he was today more positive and more belligerent on the subject than on any previous occasion.

2. It is quite obvious that Estrada is impatient with the official United States attitude toward Costa Rica, as he sees it. He recognizes the fact that Figueres and Costa Rica enjoy a considerable amount of good-will in the United States, both official and unofficial, and he feels this is due largely to an unwillingness or reluctance upon the part of the State Department to see Figueres in his true light. Figueres, he feels, gives lip-service to Democracy and to Anti-Communism and thus manages to keep in step with United States policy. On the other hand, through his Ambassador, he assures the Guatemalan Foreign Minister, that he should not consider the Costa Rican brand of "anti-Communism" as directed in any way against Guatemala or its policies. Moreover, and more to the point so far as Venezuela is concerned, Figueres secretly connives with the "communist" Betancourt to overthrow the present Venezuelan government, which, in Estrada's words, "is the best friend the United States has in Latin America." Betancourt, with the material assistance and complete concurrence of Figueres, is using Costa Rica as a base of operations for a revolutionary movement against the Perez Jimenez regime. Arms are being collected, a mercenary army assembled, and an invasion fleet prepared at Costa Rica which, at the appointed hour, will move against Venezuela. Estrada said he is not worried that such a movement will be successful. What does worry him is that the State Department is blind to what is going on and permits and welcomes such two-faced action on Figueres part as his sponsorship of the call for a meeting of consultation of the OAS ministers to study the problem of communism in Guatemala, and incidentally making it impossible for Venezuela itself to participate in such a call. He then predicted that at the meeting Figueres will endeavor to foist himself on the gathering as the man of good-will who single-handedly will mediate between the

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interested governments to bring about a peaceful and satisfactory solution. The very thought of this seems more than Estrada can stomach.

3. Estrada indicated that he is not in the least worried over the Betancourt-Figueroes alliance from the military sense. Venezuela is ready to counter, and completely smash any hostile move from that quarter. The moment an invasion craft leaves Costa Rican waters en route to Venezuela twelve Canberras will take off for San Jose and will completely obliterate that capital, he said. The NUEVA ESPARTA, the new Venezuelan destroyer, will land 2,000 troops on Costa Rican shores and that will be the end of Figueres. Venezuela, he indicated, will not follow the boastful but ineffective precedent set by SOMOZA of writing threatening notes, issuing White Papers, and breaking relations. The Venezuelan answer, he said, will be war regardless of the consequences it may have on the structure of the Organization of American States.

4. Estrada said that Venezuelan grievances have not been discussed directly with Figueres but that he knows what they are and must realize what the consequences will be to him and his regime if he persists in following his present course. He clearly indicated that he felt that only action by the United States can forestall serious trouble. Figueres counts heavily on United States good-will and apparently with reason, he said. The United Fruit agreement with Figueres, according to Estrada, could not have been more poorly timed since it strengthened Figueres' hand at home, and, what is worse, he has been informed that the United Fruit Company's action was taken as a result of strong pressure on the part of the United States government. And yet, Estrada said, Figueres through his Ambassador at Panama City only a few days ago urged Remon to step up his demands against the United States assuring him he could count on Costa Rican support. Estrada said he had just received a telegram from Panama imparting this information.

5. As another indication of the aid Figueres is giving "communists," Estrada said that he had received a photostat copy of Juan BOSCH's passport when he (BOSCH) recently passed through Panama en route to Bolivia. The passport had been issued to him by the Costa Rican government. Estrada also indicated that SANCHEZ Arango also came and went at will in Costa Rica.

6. Estrada was asked whether Venezuela's attitude toward Costa Rica would change if Figueres were to deport Betancourt and his followers from Costa Rica and otherwise put a stop to the alleged plotting against Venezuela from Costa Rican territory. He said of course it would make a difference but added that such action on the part of Figueres was most unlikely due to the closeness of the ties between Figueres and Betancourt.

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7. Estrada was asked whether President Perez Jimenez shares his own strong feelings on the Subject of Figueres and Costa Rica and he indicated that Perez Jimenez must feel the way he does "because he is a good Venezuelan." He quickly added that President Perez Jimenez would be informed of this as well as other conversations with us and that he (Estrada) knew that the sentiments expressed would be warmly approved.

8. Estrada said that economically, politically and materially Venezuela is the most powerful country in the Caribbean area and its feelings on events and developments in this area must be taken into consideration.

9. It could be safely concluded from Estrada's statements that whatever Venezuela's commitments or participation in the Guatemalan revolutionary movement may be, Guatemala is of but secondary importance in Venezuela's strategic thinking and planning. Guatemala is but a means to an end and the end clearly is the downfall of Figueres and the destruction of the militant Venezuela exile movement in that country.

10. Another conclusion that could be drawn is that Venezuela is jealous of the friendly attitude of the United States towards Figueres and what it apparently feels is a complete indifference to the hurt which it thus inflicts on its good and powerful ally, Venezuela. The Figueres brand of "communism" in Estrada's opinion is more dangerous than Guatemala's, for the latter's is open and recognized by all while the former's is of an insidious nature, cloaked in a false mantle of democracy and anti-communism.

11. Estrada appeared more cheerful with respect to military development in Guatemala but again warned that an Arbenz victory would be disastrous and could well effect the stability of many countries in this hemisphere (but not Venezuela's). He said: "Mark my words. If the revolution should fail it will not be more than 60 days before another country in this hemisphere will succumb to communist forces."

12. While we were at Estrada's office a letter was delivered to him from Cesar GONZALEZ, Venezuelan Ambassador to the United States. The letter had reached Maiquetia approximately one and one-half hour before and had been carried to Caracas by motorcycle. It was in double sealed envelopes addressed directly to Estrada. He read the letter to himself and then remarked that the Ambassador was worried by a growing trend in American public opinion in favor of Guatemala. Apparently this feeling of the Ambassador was at least partially stimulated by William Fauley, ex-U.S. Ambassador to Brazil, who, according to the Ambassador's letter, has been actively supporting CASTILLO Armes. The ambassador's concern, Estrada said, was stated in general rather

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than specific terms and presumably was based on a review of U.S. editorial comment. Estrada commented that if this were true it was even more important than ever that the rebels triumph as quiddly as possible.

13. Estrada said he had received a report of a communist plan to blow up the Venezuelan oil fields in retaliation against the United States for its aggression against Guatemala. A traveler, whom Estrada did not identify by name, arrived in Caracas apparently from Mexico on 26 June 1954. He said it was urgent that he be put in touch with the President. He was referred to SN and made a written statement. According to this statement the traveler reported having overheard a conversation which took place at the Hotel Colonial in Monterey, Mexico, about ten days ago (about 16 June 1954). The conversation was between a Lithuanian and another man, presumably a Mexican. The conversation was in German. The men spoke of a plan to sabotage Venezuelan oil fields. The traveler reported he later ascertained that Vicente IOMBARDO Toledano was staying at the Hotel Colonial at the time.

14. Estrada said that if he had his way he would substitute the term "public relations" for "diplomacy." "Public relations based on a strong sense of patriotic nationalism," is the way he put it. He said he had no patience with the slow moving, paper passing diplomacy as practiced by the Foreign Office. When he saw something that needed to be done he attacked the problem and got it over with. It upsets him very much, he confided, to telephone the Foreign Minister at 11:00 a.m. and find that he has not yet shown up at his office. He indicated by appropriate gestures that the Foreign Minister had been given a couple of "shots" lately. He also indicated that the Foreign Minister had better bestir himself for there "are going to be some cabinet changes in the near future." These gratuitous comments concerning the Foreign Minister are of interest. They suggest a cleavage between Estrada and Otanez and something bordering on contempt on the part of Estrada for the way Otanez conducts his office. In certain aspects of foreign policy (the Guatemalan affair, for example) it would appear that Estrada, rather, than Otanez, has the confidence of President Perez Jimenez, and is, in a sense, calling the turns. The fact that Ambassador Gonzalez writes to him directly is in itself an indication of the extent of Estrada's intrusion into the foreign policy field. It could very well be that Otanez is completely in the dark as to the Venezuelan government's complicity in the Guatemalan revolutionary movement. At any rate, there can be little doubt that Estrada - today - is one of the strongest men in the government (from the point of view of influence with the president) and his activities greatly exceed those which one normally associates with the office he holds. However, while he is "riding high" today this does not mean that the situation could not

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undergo a radical change overnight, as for example, if the Guatemalan affair should backfire to the embarrassment of the Venezuelan government.

15. Estrada said that he felt he could talk frankly with us, and "lay his cards on the table" without running the risk of being misinterpreted, because in addition to being a good Venezuelan he is also a good and sincere friend of the United States. Such frank conversations, he insinuated, would not be possible within the confines of strict protocol.

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