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20 June 1975
(DATE)

INSPECTOR GENERAL

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NATIONAL
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GROUP-ARA

COUNTRY ANALYSIS & STRATEGY PAPER

FY 1973

GUATEMALA

DOS and NSC review(s) completed

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ANALYSIS AND RESOLUTION OF MAJOR ISSUES TO BE REVIEWED BY IG

I. STATEMENT OF ISSUE 1

What should the USG do in the face of repressive measures taken by a GOG with which it has close ties?

II. Political violence in Guatemala, especially during the last decade, cannot be attributed to insurgent terrorists alone; the extreme Right and the Government have also contributed. Both political extremes define "enemy" in very broad terms. For example, the "hard-line anti-communists" within the political support base of the Arana Administration commonly lump the so-called "intellectual leaders" of the extreme Left with the insurgent. This is in part because the former are more identifiable than the shadowy and sometimes unknown or unlocatable members of the insurgent groups. So broad a target categorization in the current situation has led to acts of violence and threats against non-insurgents and contributes to the tendency toward alienation and polarization which characterizes the current political atmosphere.

When terrorist activity increased markedly in the Fall of 1970, pressure from within his political coalition, the military and the private sector forced President Arana to act, despite his own reservations about the capability of the security forces to mount a successful anti-insurgency campaign. It would be extremely difficult for him now to abandon the campaign short of greater successes than he has so far achieved. During the election campaign, he promised to "pacify" the country - a promise he, the public and his political supporters consider a fundamental pledge his Administration must uphold.

From the outset, the counter-insurgent campaign became more than an attack on the insurgents. (In part this can be attributed to the paucity of GOG intelligence, making it impossible to identify or locate the terrorists with accuracy. The broad interpretation of the target group is an equally important factor.) Individuals within the political opposition, the media, organized labor and the university and intellectual community were threatened or assassinated,

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-2-

in turn affecting the attitudes of the sectors they came from. In essence, this has reinforced a stereotype of Arana already held in these sectors, based on his command of Zacapa Brigade in 1966-68. The attacks resulted in a diminution of GOG credibility within these sectors, and polarization increased as did criticism of Government action. There also emerged, especially among alienated opposition political groups, skepticism that the GOG would permit free elections in 1974.

The Government now faces a dilemma. Its all-out counter-insurgency campaign has hurt but not destroyed the insurgents. Terrorist acts in the month of February, 1971, for example, are at the same high level as during the immediate pre-siege months. At the same time, it has infringed upon human rights. An estimated five to seven hundred people may have died since November in the political violence. While this estimate includes the dead of both sides, they have been mostly killed by the Government's security forces, the Army, Rightist comisionados militares or others with closer or more tenuous connections with the authorities or in some cases, Rightists settling political or personal scores. They include people killed in gunfights with the insurgents, in Army sweeps, people picked up in house and other searches and some who have been interrogated and killed following interrogation. Among their number are some of the insurgents, some common criminals, and others marginally connected with the extreme Left or considered so.

The Government remains burdened with its promise to "pacify" with the same limited means at its disposal to do so. Now committed, it cannot show weakness or lack of resolve.

The insurgent Left also constrains the GOG since, despite losses, it is able to strike the Government at times and places of its choosing.

Two principal considerations limit the closeness of the USG's relationship with a regime which has indulged in repressive measures: (1) the USG is left open to domestic U.S. criticism; and (2) Guatemalan political institutional development is jeopardized. These impinge on our ability to support the GOG in the shared goal of reducing terrorism. The USG also faces the possibility of provoking a cooler relationship with the Arana Government by attempting to dissuade it from pursuing its current course.

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III. Recommended Issue Resolution

(a) The USG should exert its influence to convince the GOG to concentrate its efforts on clearly identified terrorists. The Arana Government may be able to reduce polarization and re-establish acceptable relations with alienated sectors through continuing dialogue and support and encouragement of the free play of legitimate political forces. These conciliatory measures would ease the strains being put on Guatemalan political institutions and political development would be less endangered.

(b) If the GOG is not receptive to USG influence and advice along the lines already noted, the USG has three options open: (1) it can ride out this period without a significant change in assistance policy toward the incumbent Government while building and maintaining bases, as best it can, with other sectors in the society (see c below); (2) it can reduce or withdraw assistance [redacted] while continuing institutional assistance in agriculture, education, health, etc.; and (3) it can withdraw all assistance.

(c) In any event, the USG should take suitable opportunities to convince all sectors (i.e., opposition political parties, university, organized labor, private sector, etc.) that while we oppose terrorism, we do not condone repression and that we continue in our efforts to assist in institutional development. This will have to be done at the same time as we continue our on-going relationship with Guatemala's constituted authorities. It will require great care, subtlety, discretion and skill.

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21

S E C R E T

INTEREST: POLITICAL DEVELOPMENT OF GUATEMALA

PROJECTED CONDITIONS IN FY 75 BY ENVIRONMENTAL INDICATORS
(July 74 to June 75)

PROJECTED CONDITIONS IN FY 76
BY ENVIRONMENTAL INDICATORS
(July 75 to June 76)

A. AREA OF CONCERN: Stability of Political System

Capacity of Government to deal constructively with political dissent. Guatemala's fragile democratic traditions suffered a serious setback when the Government engaged in gross fraud in order to reverse the results of the March 1974 national elections. The Government candidate, General Laugerud, who will take office on July 1, 1974, is faced with a number of grave economic and social problems and will also be faced with an opposition which is bitter and disillusioned at having been robbed of an electoral victory. There are, nevertheless, signs that many in the opposition, even though disillusioned, are planning to continue to seek their objectives through legal political dissent, if given that opportunity. There are also signs that hard-line right wing elements within the forthcoming Laugerud administration, elements led by Vice-President and MLN Director Mario Sandoval, will seek to muzzle all serious political dissent through the threat and use of terror. The more terror is used against the political opposition, the more likely that the opposition will itself turn to violence, which would bring about sharply increased political polarization and a much higher level of violence.

1. Difficult to project meaningfully, since the situation will depend so heavily on what happens in this area in FY 75.

B. AREA OF CONCERN: Growth of Democratic Institutions

Development and treatment of political parties. As FY 75 approaches, the Christian Democratic Party (DCG)

1. Mayor Colom Argueta, perhaps the most capable and charismatic leader of

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ANTICIPATED CHALLENGES OR OPPORTUNITIES		LEVEL OF CONCERN		EXPLANATION OF ASSIGNED LEVEL OF CONCERN
FY 75	FY 76	FY 75	FY 76	
<p><u>Challenge:</u> If the Government cancels the inscription of the DCG, there will be a serious restriction of legitimate political dissent in Guatemala which is likely to bring about a destabilized situation.</p> <p><u>Opportunity:</u> Use discreet influence as opportunities arise to convince GOG that its long-term stability will be improved by allowing legal operation of its opposition.</p> <p><u>Opportunity:</u> Use influence as opportunities arise to discourage opposition parties from resorting to violence.</p>		H	H	A serious restriction of the opposition's ability to operate legally will increase the likelihood of illegal opposition and a new spiral of political violence. This in turn could complicate our ability to maintain assistance programs.

S E C R E T

INTEREST: POLITICAL DEVELOPMENT OF GUATEMALA

PROJECTED CONDITIONS IN FY 75 BY ENVIRONMENTAL INDICATORS
(July 74 to June 75)

PROJECTED CONDITIONS IN FY 76
BY ENVIRONMENTAL INDICATORS
(July 75 to June 76)

is the only party which is in clear opposition to the Government, since the Secretary-General of the Revolutionary Party has made clear his intention to cooperate with the Government. There have been and will continue to be pressures from right-wing MLN circles to cancel the inscription of the DCG, which would leave the body politic without any truly oppositionist legal force. Cancellation of the DCG would seriously restrict the avenues of legitimate political dissent in Guatemala, which would likely bring about a distabilizing situation.

the Left today, who will probably take a long leave of absence in Italy, primarily for fear of being assassinated, may return to Guatemala. If he does, he will probably seek to re-establish a base of power and may once again seek inscription of his FURD. The Government is likely to frustrate the inscription of the FURD whether or not the legal requirements are met.

C. AREA OF CONCERN: Respect for Human Rights

We have no accurate measure of the level of illegal violence the Government will use against insurgents, political opponents, or common criminals. In the last month, we believe the Government either effected or condoned the assassination of the radical leftist head of a university legal aid society and a violently anti-Government radio commentator. There have also been a number of police-sponsored killings of habitual criminals, killings carried out under the cover of a "death squad." We believe that there will be pressures to maintain this type of violence at a relatively high level.

1. Not possible to predict accurately.

S E C R E T

ANTICIPATED CHALLENGES OR OPPORTUNITIES		LEVEL OF CONCERN		EXPLANATION OF ASSIGNED LEVEL OF CONCERN
FY 75	FY 76	FY 75	FY 76	
<p><u>Challenge:</u> The GOG may engage in or permit widespread use of terror against the political opposition. This would probably produce a seriously destabilized political situation which would impede Guatemala's economic and social development.</p> <p><u>Opportunity:</u> Use discreet influence as opportunities arise to persuade GOG that its short- and long-term interests will be seriously damaged if terror is used to muzzle the opposition.</p>		H	H	<p>If the GOG engages in or permits widespread use of terror against its political opposition, this would very likely trigger a new spiral of political violence and sharply increased political polarization. This would be a serious impediment to the development of a more equitable economic and social structure in Guatemala and could lead to a significant cutback in the levels of U.S. assistance. This in turn would cause a deterioration in U.S.-Guatemala relations across the board with harmful effects for almost all U.S. interests in Guatemala.</p>
<p><u>Challenge:</u> Resort to illegal violence is destabilizing domestically, weakens Guatemala's image abroad, and could lead to reconsideration of our assistance to the GOG.</p> <p><u>Opportunity:</u> Use discreet influence to point out the lack of necessity</p>				

S. INTEREST: POLITICAL DEVELOPMENT OF GUATEMALA S E C R E T
FY 75

COURSE OF ACTION BY GOAL & OBJECTIVE

A. Promote Long-Term Political Stability

A-1 Convince GOG that resorting to terrorist tactics to subdue its political opposition will probably increase its insurgency problem.

1-1 Encourage President-elect Laugerud to minimize the use of political violence by his administration, and to control as much as possible the use of radical violence by right-wing elements in his administration. N CT --

1-2 Encourage selected Army officers to seek to dissuade the GOG from using violence to subdue its political opposition. N CT --

1-3 Encourage other GOG officials and political leaders along the lines of 1-1 and 1-2. N CT --

1-4 Carefully monitor the level of Government-induced or tolerated terrorism against political opponents. N CT --

1-5 Consider a reduction in levels of U.S. assistance, particularly military assistance, if actions mentioned in 1-1, 1-2 and 1-3 do not seem to have any effect. N CT --

A-2 Convince GOG that cancelling DCG inscription will probably encourage political dissidents to turn to violence.

2-1 Encourage President-elect Laugerud not to permit cancellation of DCG's inscription. N CT --

2-2 Encourage selected Army officers to counsel against cancellation of DCG's inscription. N CT --

2-3 Encourage appropriate MLN/PID political figures along line of 2-1. N CT --

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U.S. INTEREST:

S E C R E T
FY 75

POLITICAL DEVELOPMENT OF GUATEMALA

COURSE OF ACTION BY GOAL & OBJECTIVE

TYPE	ASSECY	Est Res (
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B. Eliminate Use of Illegal Repressive Actions Against Insurgents and Common Criminals

B-1 Convince the GOG to reduce the use or toleration of illegal repression to a minimum.

- | | | | |
|-----|--|---|----|
| 1-1 | Encourage President-elect Laugerud to curb illegal repressive activity. | N | CT |
| 1-2 | Make known selectively to subordinate officials our difficulty in supporting a government which engages in illegal repression. | N | CT |
| 1-3 | Carefully monitor level of Government-induced or tolerated illegal violence. | N | CT |

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**NATIONAL
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GROUP-ARA**



COUNTRY ANALYSIS & STRATEGY PAPER

FY 1974-FY 1975

GUATEMALA

**APPROVED BY
NSC-IG/ARA
MAY 30, 1973**

DOS and NSC review(s)
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1.

The overriding United States interest in Guatemala is in assuring that it does not become hostile and will not permit its territory to be used as a base for direct or indirect aggression against its neighbors or the United States. This interest is best served by a Guatemalan government which maintains stability through respect for constitutional procedures, more equitable distribution of national income, and accelerated economic growth. Our principal interest is based, therefore, on two subordinate, interrelated interests: the progressive strengthening of democratic institutions and practices; and the implementation of basic economic and social reforms together with an accelerated implementation of development programs.

Only by providing the people with an ever-increasing measure of participation in the political process and in the economic wealth of the country will Guatemala remove the underlying causes of instability. The Arana Government has made a start toward this objective through a modest development plan which looks to improving the standard of living of the rural population. Since the plan does not contemplate basic reforms it does not impinge sufficiently on the interests of the conservative elements to trigger their opposition. The extreme left (the PGT/FAR and the FAR), on the other hand, seeks to block the process of peaceful change and to overthrow the government through terror and guerrilla tactics. Elements of the extreme right which frequently are the target of these activities take the law into their own hands and respond with counter-terrorism. While the government has succeeded in reducing the activities of the PGT/FAR and FAR, the level of violence remains a problem. The success of its development program and the cooperation of the private sector in the development process depends upon the government being able to keep the upper hand in its struggle against the extreme left. For this purpose it needs to continue to develop its capabilities to maintain internal security.

The main thrust of United States programs in Guatemala is to assist the government in achieving continued stability by: (a) discreetly supporting respect for democratic practices and constitutional procedures, and (b) encouraging a deeper commitment to economic and social reform and development. Progress will admittedly be slow given the present strength of elements opposed to basic change. But as long as the Government shows a willingness and the ability to pursue these two objectives, we should continue our support. We pursue (a) by maintaining contact with a broad spectrum of political elements, using discreet persuasion where this is advisable, and promoting institution-building programs. We pursue (b) through a well-balanced AID program which meshes closely with the government's five-year development plan. This plan is a comprehensive effort to introduce a substantial portion of the hitherto marginal rural population to modern agricultural techniques, to make credit available so that the campesino has the wherewithal to apply the techniques, to provide the infrastructure necessary for modern agriculture and to raise the effectiveness of the rural family through health and educational programs. The main thrust of our aid program is in agricultural development and in rural education, health and community development.

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SECTION II
ANALYSIS OF
MAJOR ISSUES

SECTION III
INTEREST, POLICY &
RESOURCE ANALYSIS

ANNEX A
SUPPORTING MATERIAL

SECRET
AMBASSADOR'S OVERVIEW

2

U.S. assistance to the security forces (armed forces and police) finds its justification exclusively as a supplement to U.S. efforts in the political, economic and social fields. It is designed to achieve two purposes: (1) to assist the armed forces and police to develop as rapidly as possible internal security capabilities sufficient to deal with the threat posed by violent opposition from the left; (2) to enable the United States to maintain influence in the military establishment which occupies such an important position within the political structure of Guatemala.

Guatemala faces national elections in March 1974. How the elections are handled by the Arana administration will determine the course of Guatemalan political stability and economic and social development over the next five years. Because of Guatemala's preponderant position in an already weakened CACM, the impact will also be reflected in the Central American integration process.

President Arana during his almost three years in office has made substantial progress in reducing the level of violence and getting his ambitious development programs underway. But he considers what he has accomplished as unfinished business. This is why he wants a successor who will continue his program and, secondarily, assure his personal security so that he can stay in Guatemala and not leave the country as other living ex-Presidents have had to do.

President Arana seems determined to have his hand-picked candidate, General Kjell Laugerud, succeed him. I believe his intent is to accomplish this by fair means, using his substantial prestige, the accomplishments of his administration and the advantages inherent in being in power to win a plurality if not a majority. But there are two imponderables in this situation. One is that Laugerud is not a charismatic figure and simply may not wash with the electorate. The other is that the opposition, at this writing so deeply fractured, may pull itself together behind an attractive combination which, capitalizing on the Guatemalan voters' natural proclivity to vote the "ins" out, may outdistance the coalition slate in an open campaign. How Arana handles such an eventuality will determine the course of Guatemalan politics in the coming years.

A Laugerud victory fairly achieved will result in a continuation of the Arana program with respect to internal security, economic and social development, Central American integration and relations with the US. There may be changes of emphasis, such as a stronger nationalist flavor and a modest start at some basic structural changes, but the thrust of a Laugerud administration will be about the same as Arana's. With continued stability under Laugerud and the prospects for continued high prices for Guatemala's basic products, Guatemala could then look forward to another four years of increasing tranquility and growth.

A victory by any of the foreseeable opposition candidates would meet with varying degrees of unhappiness and opposition on the part of President Arana and his supporters. This would range from probable

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acceptance of persons like Sagastume or Paiz Morales to refusal to accept a victory by Mayor Colom Argueta. An opposition triumph would, depending on how the new government handles the security and development/reform issues, result in varying degrees of instability determined by the reaction of the Army and the influential upper classes. The U.S. is not likely to find its basic interests threatened by a victory of any of the present opposition contenders for the presidency.

One factor emerges clearly through all the uncertainty which now surrounds the electoral campaign and its likely outcome: if there is blatant GOG interference in the electoral process to insure a Laugerud victory, and particularly if physical intimidation is used against opposition candidates, Guatemala will very likely move back into another cycle of increased violence, instability and retraction as spelled out in the analysis of major issues.

What should be the role of the United States as the electoral campaign unfolds? There is very little that we can or should do. Our influence is marginal. But as opportunities arise where this influence might be brought to bear, I believe it should be judiciously used in support of respect for democratic practice and constitutional procedures, and hence in support of our basic interests in Guatemala.

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SECTION II
ANALYSIS OF
MAJOR ISSUES

SECTION III
INTEREST, POLICY &
RESOURCE ANALYSIS

ANNEX A
SUMMARY OF RESOURCES

SECRET
ISSUE ANALYSIS

tax revenue rather than from debt. The self-help problem thus can only be successfully attacked if all donors approach the GOG with a uniform position. Such a united donor stance can only be achieved at the Washington level. Naturally, the Country Team will complement such efforts and its own specific loan/grant conditions with diplomatic suasion to support those elements in the GOG that seek to increase the fiscal self-help level. Given the fact of an electoral year in Guatemala, our immediate effort should concentrate on forming the Consultative Group and preparing it for action when the new administration takes office.

STATEMENT OF ISSUE #2

What role can the U.S. play to foster a climate conducive to orderly political, social, and economic development? Should the U.S. seek in particular to assure a peaceful, free presidential election and change of administration? If so, how?

IMPORTANT ASSUMPTIONS

1. Communist-inspired insurgents, if contained at present levels, will not be able to bring about the Government's downfall, but will retain a capacity to create political turmoil.
2. Over the past year the GOG has succeeded in further weakening the insurgents. This success has been accompanied by a reduction in levels of political violence attributable both to the insurgents and the Government.
3. Whether extreme left terrorism will rise depends in large measure on the Government's willingness to allow the free play of democratic forces leading to the March 1974 elections and to respect the results of those elections. The PGT, and to some extent the FAR, are presently inclined to seek their goals by promoting unity among non-violent political groups opposed to the Government rather than to press a campaign of increased violence. If the GOG resorts to strong-arm methods to harass and intimidate the legal opposition, the insurgents will capitalize on the discontent so engendered by stepping up terrorist activities, thereby setting in motion a new spiral of violence. If the GOG proscribes legitimate leftist parties, some members of these parties can be expected to join the rank of the violent opposition and also trigger increased terrorist activities by the PGT/FAR and FAR.
4. It is in the US interest to help the GOG control insurgency, thus making it possible to maintain an environment conducive to political and economic development; but our continued help will be compromised if the GOG in effect triggers a new cycle of violence by interfering in the electoral process.

5. Our ability to influence the Guatemalan political process is marginal and much less than Guatemalan political leaders of all tendencies believe it to be.

ISSUE RESOLUTION

Recommendation:

That the USG continue to fund modest military assistance and public safety programs in order to help the GOG in its effort to contain communist-supported insurgency and to enhance USG access to and rapport with Guatemalan leaders. At the same time we should discreetly use our influence at all appropriate levels to encourage the GOG to allow the free play of democratic forces leading to the March 1974 elections and to encourage the Army not to block accession to office of a legitimately elected President. Following the elections (i.e., in next year's CASP) we should reexamine the premises of our grant military assistance in the light of: (1) the need for such assistance in relation to the level of insurgency, and (2) the impact which the electoral process may have had on the insurgents.

Reasons for Recommendations:

There is a direct relationship between the GOG's ability to control insurgency and the possibilities for healthy political, economic and social development. As explained in the Ambassador's overview statement, the latter is in our interest and it is, therefore, worthwhile for us to contribute to the former.

The forthcoming elections raise the possibility of GOG intervention in the electoral process which might set off a new wave of terrorism. Three electoral possibilities arise: (1) a reasonably open election as occurred in 1966 and 1970 with the winner assuming office; (2) blatant interference during the campaign and/or in the ballot counting to make the results come out as the GOG wants with the high risk of a new wave of political violence; or (3) a military coup setting aside the electoral process which also carries a high risk of renewed terrorist activity. The CT believes that the dangers of possibilities 2 and 3 are sufficiently high and the consequences for US interests so prejudicial that we should use what limited influence we have to encourage possibility 1, while at the same time recognizing that we may have to accept possibilities 2 and 3. With respect to the possibility that a military coup might be reformist and in the USG interest, we conclude that any "golpe" likely to take place within the CASP time frame would not be reformist and would not pre-empt the rationale of the insurgents.

By this time next year we will know the outcome of the elections and the outlook on the insurgency front. These two factors will permit a more accurate assessment of what we should do in subsequent

SECTION III
INTEREST, POLICY &
RESOURCE ANALYSIS
ANNEX A
SUMMARY OF RESOURCES

SECRET
ISSUE ANALYSIS

12

years with respect to grant military materiel assistance. Our public safety program will by then have helped the GOG to reach self-sufficiency on the equipment side. It may be advisable to move in the same direction on grant materiel for the armed forces.

We do not deceive ourselves about the extent of USG influence in such important and sensitive areas as election politics. But given the tendency of political leaders to seek the views of the Embassy there is a circumscribed opportunity for discreet influence in support of the GOG respecting Guatemala's newly established democratic traditions. It is in our interests to use those opportunities.

STATEMENT OF ISSUE #3

How should the USG deal with the continuing serious threat to the security of its personnel?

During the past twelve months the GOG has succeeded in further reducing the operational capabilities of terrorist groups. However, these groups still retain the capacity to strike when their interests so dictate. The danger for official Americans, therefore, remains and may increase if the electoral campaign triggers a recrudescence of political violence. The Country Team in the 1973 CASP analyzed the issue of affording maximum practical protection to US personnel. Reiterated in last year's CASP the recommendation remains valid and necessary. The NSC-IG/ARA decision reads: "to utilize the present protective forces more effectively, obtain additional manpower as necessary, and attempt to assure that the GOG recognizes its primary responsibility for protecting our personnel."

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DATE: 3 May 1974

SUBJECT : 1975-76 CASP

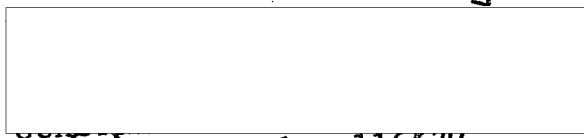
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Guatemala

Attached is the/Country Analysis and Strategy Paper
for FY 1975-1976.

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S E C R E T

AMBASSADOR'S OVERVIEW

1

The basic U.S. interest in Guatemala is to insure that it maintains its friendly posture towards the United States, a posture which has in recent years benefited the whole gamut of specific U.S. interests. Among the more important of these specific interests are: continued assurance that Guatemala will not allow its territory to be used by any government hostile to us; continued support for U.S. positions in international forums on the vast majority of issues confronted in these forums; continued nondiscriminatory treatment of U.S. citizens and corporations; and increased trade and investment opportunities.

None of these interests is in serious jeopardy in the near term, but any one of them could be severely prejudiced by the advent of a hostile government. A government truly hostile to the U.S. is likely to take power only as the result of a violent socio-political upheaval. A domestic climate conducive to orderly political, economic and social development contains the best hope of minimizing the possibility of such an upheaval. United States programs and policies are therefore designed to assist in the creation of such a climate, while we seek at the same time to maintain and strengthen on a day-to-day basis the friendly U.S.-Guatemalan relations which have existed on all fronts in recent years.

In seeking to assist Guatemala to achieve a forward-moving, orderly development, our two principal objectives have been: to encourage the continued growth of Guatemala's fragile democratic tradition and to encourage a deeper commitment to economic and social reform and development.

Progress toward our first objective suffered a significant step backward when the Government refused to accept its widely though unofficially recognized defeat in the March 3 national elections, and used massive fraud to fabricate a victory for its presidential candidate, General Kjell Laugerud, and to insure that the Government Coalition would control the next Congress. In the light of these developments and of several subsequent political murders which we believe were sanctioned by the Government, we considered the possibility of adopting a cool and distant stance towards the present Government and its successor and of recommending a significant reduction in all levels of U.S. assistance. We decided against this because we believe that there is a fair chance that the incoming Laugerud regime will, in fact, attempt to undertake serious social and economic reforms which will lessen the long-term chances for a violent upheaval which could seriously damage the United States interest here. We felt that we should not let disappointment over the lack of respect for the democratic process and an emotional reaction to recent political developments deter us from seeking our long-term goals. Our attitude on this

S E C R E T

S E C R E T
AMBASSADOR'S OVERVIEW

2

has been influenced to a degree by the fact that opposition elements themselves seem to be making the best of an unfavorable situation and to be planning to participate in the political process over the next few years. We therefore plan to continue our present policy of maintaining contact with all legitimate elements of the political spectrum and to use these contacts discreetly to attempt to promote a renewed respect for the democratic process and institutions. As part of this program, we will use such influence as we have to attempt to minimize GOG use or tolerance of the use of violence and terror against its political opposition.

We are concurrently adopting a "wait and see" attitude regarding military and economic assistance to the Laugerud administration. Given the very important role of the Guatemalan Army in national life, we plan to maintain a modest level of military assistance with concentration on training in the U.S. in order to preserve our influence within the Army. As for economic assistance, we plan to be ready to help the Laugerud regime if that regime seems truly committed to meaningful economic and social reform, including specifically taking steps to increase tax revenues. The forms of assistance we have in mind are fully in keeping with guidelines set forth in the 1973 Mutual Assistance Act.

While I believe that under present circumstances it is in our best interest to maintain continuing correct and harmonious contact with the GOG and to look forward to modest economic and military assistance programs, I also believe that we should stand ready to adopt a more aloof posture and to curtail our assistance programs if the GOG should engage in wide-scale violence against its political opposition or if it should demonstrate no real commitment to meaningful economic and social development.

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Francis E. Meloy, Jr.
American Ambassador

S E C R E T

STATEMENT OF ISSUE #1

What role should the U.S. play to assist in fostering a climate conducive to orderly political, social and economic development? Specifically, how can the U.S. seek to minimize the possibility that the GOG will use or permit the use of violence and terror against its political opposition?

IMPORTANT ASSUMPTIONS

1. Much of the GOG's political opposition is disposed to continue to seek its goals via legal, peaceful political dissent despite its disillusion over the results of the 1974 national elections.
2. There are elements within President-elect Laugerud's forthcoming administration which are advocating the threat and use of terror to muzzle all serious political dissent.
3. The more terror is used or acquiesced in by the Government against its political opposition, the more likely that opposition is to turn to violence itself, and the more likely that Guatemala will enter into a new period of substantially increased violence.
4. It is in the U.S. interest to avoid a new spiral of political violence and counterviolence.
5. Our ability to influence the Guatemalan political process is at best marginal. What influence we have is probably strongest in the Army and within opposition parties.

ISSUE RESOLUTION

Recommendation:

That the U.S. seek every appropriate opportunity to influence Guatemalan leaders not to use political violence to muzzle their opposition. This should include discussing the potential problem with President-elect Laugerud and with key elements in the Army. We should continue to fund modest military assistance programs to preserve and enhance our influence within the military on this and other questions affecting U.S. relations. However, if there is a continued use of political terrorism by the GOG against its political opponents, we should consider reducing the level of our military assistance and/or the size of our military presence here.

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ISSUE ANALYSISReasons for Recommendation

A new spiral of terror and counterterror would seriously impede Guatemala's political, social and economic development, and would probably lead to our consideration of a significant cut in all levels of U.S. assistance to Guatemala. This in turn would lead to a deterioration in U.S.-Guatemala relations across the board, with harmful effects for almost all U.S. interests in Guatemala. It is in the U.S. interest to avoid this eventuality if possible.

We recognize that making the overtures we recommend runs the risk of offending those we approach. This would certainly be true as far as the hard-line MLN leaders who may be advocating violence are concerned. It might also offend President-elect Laugerud and/or Army leaders. We, therefore, gave serious consideration to the advisability of keeping out of the line of fire and hoping for the best. We concluded, however, that the possibility of our influencing the GOG to curtail the use of political violence is worth the risks involved.

STATEMENT OF ISSUE #2

How should the U.S. plan to respond to the newly emergent challenges and opportunities that confront our interest in assisting in the acceleration of the economic and social development of Guatemala? Specifically, what action can be taken to make more effective the GOG's commitment (which we expect the new Government to share) to integrate the lower income sectors into the national life, recognizing on the one hand that the GOG has recently addressed more forthrightly the need to mobilize an adequate level of domestic resources in support of its programs and on the other that its ability to continue further along this course may be limited by concern about how the current disruption of the world economy impinges upon the domestic economy and about the repercussions of its action in the newly unsettled political context?

The Country Team analyzed and recommended a resolution of the fiscal self-help issue in last year's CASP. The NSC-IG/ARA approved that issue resolution with minor modifications. It also directed that in the FY 1975-FY 1976 CASP submission, the Country Team should discuss the endorsed AID lending level in light of likely fiscal self-help actions by the new Guatemalan administration. That instruction has proven timely in view of recent developments.

In CY 1973, the GOG made significant strides in the area of tax administration improvement. For the first time in recent years Central Government tax revenue grew faster than current price

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ANALYSIS AND RESOLUTION OF MAJOR ISSUES TO BE REVIEWED BY IG

I. STATEMENT OF ISSUE 2

How should the USG deal with the serious threat to its personnel during FY 1973?

II. We project a continued capability of terrorist groups to threaten USG personnel during the period under review, although we have planned courses of action to reduce it (see I.C.). Our efforts to advance other U.S. interests places constraints upon the number of personnel who we believe should be withdrawn from the country. Personnel levels will be held to the minimum consonant with our objectives here. The USG's view that the host country bears primary responsibility for the protection of our personnel, coupled with the problem the GOG faces in providing sufficient protection to U.S. Mission personnel as well as to other foreign diplomats, make personnel security in Guatemala a special problem.

In Guatemalan terms, the manpower made available for the protection of USG personnel can be described as substantial, and some resistance to providing adequate transportation, equipment or salaries for the men assigned to protect Mission personnel. The widely held belief that the GOG espouses a no-ransom-or-exchange kidnap policy adds to the threat to USG personnel's lives. The sketchy information available indicates that terrorists are at present more inclined to plan for the technically simpler assassination attempt rather than the more complicated kidnap. And if the terrorists did successfully kidnap a Mission member, we have little reason to believe his life would be spared if the GOG refused to negotiate.

Local public opinion concerning terrorist activities and the role of the USG with the Administration will form another constraint. Although we do not believe that the terrorists themselves will change their attitudes about the

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ANNEX 3:
Performance Measurements

ANNEX 4:
Summary of Resource

SECTION TWO:
FY 73 Planning Framework

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-2-

USG and the role of our programs and personnel in Guatemala, it is clear that they make some distinction between those whom they believe to be combatants [redacted] and leaders (Ambassador and Consul) and other members of the staff. While the Sean Holly kidnapping makes clear that the terrorists will strike at a target of opportunity, his debriefing indicated that they felt particular rancor against the first two groups. The insurgents' lack of accurate intelligence about the structure of the Mission was also noteworthy. The effect of public opinion upon the terrorist milieu is not clear. It is reasonable to expect, however, that insurgents would believe USG personnel made more attractive targets if public opinion linked the U.S. with repressive measures of the Arana Administration. 25X1

- III. At present, Mission policy is to provide protection to all personnel within the constraints of resource limitations. Known targets receive special protection. Except for the top officials and known targets, protection is predicated primarily upon defending against vehicular attacks, particularly while personnel are on scheduled home-office-home moves. To improve this system, additional manpower and equipment would be required. The Mission proposes to utilize the present force more efficiently and seek or contract further manpower as practicable and necessary. We would attempt to assure that the GOG recognized its primary role in protecting our personnel and that it would provide the necessary resources to do so. However, we should keep clearly in mind that the gap between resources provided by the GOG and those required must be filled by the USG.

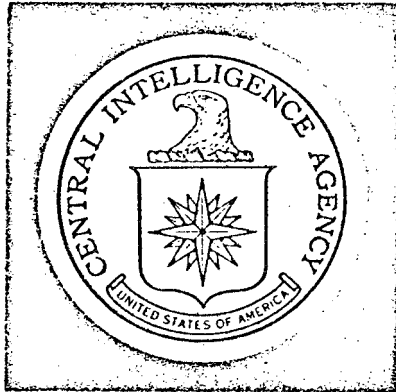
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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Guatemala: No End to Violence?

Secret

151

29 July 1971
No. 1721/71

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
29 July 1971

INTELLIGENCE MEMORANDUM

Guatemala: No End to Violence?

Summary

President Arana's first year in office, especially since he imposed the continuing state of siege last November, has been marked by a no-holds-barred campaign against Guatemala's decade-old insurgency. The extension of the security operations to include collaborators, leftists, and miscellaneous trouble-makers has affected a significant portion of the very small group in Guatemala that participates in the national life.

The guerrilla-terrorist organizations have taken serious losses and have managed to maintain only a low level of activity over the past several months. In the past, the terrorists' most notorious and daring acts, including the murders in 1968 of the US ambassador and two US officers in the military mission, have occurred when the insurgents were feeling the pinch of security operations. The terrorists may believe that the time is again ripe for a spectacular act that would retaliate for their losses and symbolize their continuing "revolution."

The high incidence of violence attending the effort against the insurgents, particularly the inclusion among the victims of a few very prominent

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persons (a congressional deputy, a labor leader, several university professors and journalists), is adversely affecting the prospects for political stability. The progressive hardening of attitudes may have removed all chance for eventual accommodation between the left and the right. As the opposition's grievances against the incumbent government grow, it is increasingly unlikely that those now in power would risk the accession of the leftists.

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Introduction

1. Violence and polarization are continuing in Guatemala in spite of hopes that the unprecedented transition from one government to another in elections last year might presage institutional stability and new opportunities for sociopolitical development. Within the generally poor, illiterate, and backward society, only a small segment consciously shares in the national life, and that group is torn by civil strife unrelieved by any sign of compromise. Indeed, the refusal of Guatemalan politicians to seek a mutual accommodation is so ingrained that virtually all doors to dialogue, moderation, and constructive action seem closed. The general acceptance of extremism from both the left and the right has reached the point where even excessive violence is greeted with apathy.

"Politics" Today

2. The administration of General Carlos Arana Osorio, completing its first year this month, is pledged to the pacification of Guatemala. Arana's background as the army zone commander who cleared the guerrilla-terrorists from their long-time safe haven in the eastern hills earned him, along with a strong man reputation, the sobriquets of "Lion of Zacapa" among his admirers and "Butcher of Zacapa" among his detractors. His presidential campaign for the 1970 elections was based on the caudillo appeal and won him more than 40 percent of the valid vote, a plurality that beat two candidates politically to his left.

3. Arana, perhaps sensitive to his position as a minority president, immediately upon assuming office dedicated his term to improving the lot of the "marginal" Guatemalan through socioeconomic reform. He also promised to exercise restraint in the security field. His exaggerated efforts to erase the picture of Arana "the assassin," such as publishing poetry he had written to his daughter, produced a round of criticism, cruel jokes, and new epithets. Nevertheless, his

-3-

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seeming sincerity in wanting to turn the country around, to end political violence, and to help all his countrymen won him at least an open mind and a hearing from the legitimate opposition. Soon, however, Arana's own supporters convinced him of his own lack of political expertise and lobbied for a no-holds-barred counterterrorist campaign. The active insurgents, who had been thrown off balance by Arana's initial reformist rhetoric and insistence on legality in dealing with subversion, reverted to their position that a repressive government best serves their purposes and set out to invite repressive action. They resumed terrorist activity, concentrating on murdering easy targets such as minor police officials.

4. Continuing terrorism and the fear that the insurgents would attempt major violence on their 10th anniversary led the government on 13 November 1970 to impose a state of siege whose severity was unprecedented in Guatemala. This move signaled an assault on the subversives, using all resources and methods. The security forces and allied rightist terrorist squads have probably accounted for most of the 150 political deaths a month, but many of the violent incidents in Guatemala cannot be surely ascribed to any particular group.

5. Among the dead are about 15 high-level members of the major terrorist groups. Security operations have also resulted in the discovery of numerous safehouses and arms caches, and of documents useful for information on the insurgent organizations. Intelligence sources confirm that the terrorist groups have been seriously affected by the loss of personnel, security, and contacts, and that psychological damage has occurred, too. Distrust between and within the terrorist groups has mounted, and the insurgents have accounted for a much smaller portion of the violence this year.

6. Some of the victims of the security operations were targeted on the basis of their political opposition to the groups in power or because of their

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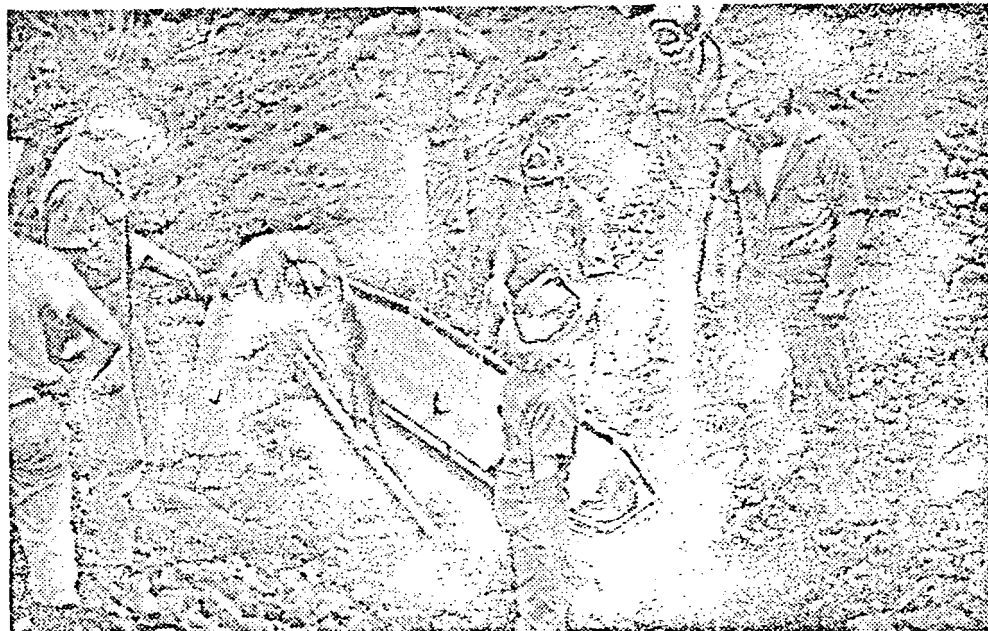
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association with the revolutionary governments during 1944-54. A few had been very prominent in public life and were representative of the most articulate elements in society--a congressional deputy, a labor leader, and several university professors, radio commentators, and journalists. Dozens of students and others from the "intellectual community" are missing and presumed dead at the hands of army assassination squads. The assault on this very vocal segment has evoked bad publicity at home and abroad and spread a general sense of insecurity to those usually protected by name, connections, positions, or wealth.

7. Many of the mutilated bodies that have been discovered in rivers and ravines, along roads and in other places that have become standard disposal sites for corpses probably are miscellaneous "troublemakers." For example

army operations in the western department of San Marcos had eliminated 200 "insurgents and bandits" in the seven weeks since the state of siege had been imposed. The idea of by-passing the ineffective judicial system by eliminating habitual delinquents and criminals appears to have fairly widespread acceptance

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Firemen Uncover Victims of the Violence

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as one of the more defensible aspects of the security campaign.

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8. A few constructive government programs have taken shape, including a rural development program, the opening of credit to small farmers, and tentative progress has been made on a huge investment project (EXMIBAL) that will--if consummated--more than double the total level of investment in the country. Nevertheless, the major thrust of the government policy over the past year has been terrorism and violence. The state of siege prohibits political activity, and therefore only semiclandestine activity has occurred within and between partisan organizations. There are indications that even the politicians aligned with the government may be feeling the pinch of these restraints and that differences of opinion over continuing the emergency conditions may be drawing lines between the politicians and the military.

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9. Among the legal opposition political groups, there is some behind-the-scenes effort to maintain identity and structure, but the restrictions of the state of siege, the inherent danger of being in the opposition camp, and loss of leadership have left these parties practically inert. Growing numbers see their political future as desperate and their personal lives threatened. Some privately express the belief that the only out is to cast their lot with that of the guerrillas, but such statements probably indicate despair rather than real intent.

Years of Tumult

10. Guatemalan strong-man General Jorge Ubico reiterated his philosophy of governing five days before his overthrow in 1944: "While I am President, I will not grant liberty of press nor of association because the people of Guatemala are not prepared for democracy and need a strong hand." Thirteen years of his personalistic and repressive regime had kept the country politically immature, economically backward and archaic in its social structure.

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Still, Guatemalans can now be heard to reflect fondly on the days of Ubico, when the country was safe and "orderly."

11. Ubico's overthrow on 1 July 1944 was not the result of internal upheaval, but of a revolt of young city dwellers--mainly students, teachers, writers, and other professionals and businessmen with few ties to the "traditional" society. Many of these young people were implementing ideas acquired in exile, and were hardly representative of the whole society. Leaders were so lacking that Juan Jose Arevalo, born in Guatemala, was brought back from a professional position in Argentina so that he could assume the presidency.

12. The performance of Arevalo and his successor, Arbenz, during the ten years they were in power was in sharp contrast with their promises, although some significant experimentation--especially in agrarian reform--did have a lasting impact. Revolutionary goals and classical democratic principles were set out moderately in the charter of government, but moderation was, in fact, rare. In its earliest days, the revolution provided government by the improvisation of inexperienced political romantics, and ideology soon lost out to expediency and opportunism. Power during both the Arevalo and Arbenz regimes centered in the presidency and an inner circle of professional politicians, intellectuals, and army officers who controlled or manipulated the other branches of government and the armed forces by patronage. Unrepresentative, unstable political parties were the regime's democratic props.

13. Supporters of the old order strenuously resisted the social and political upheaval. During Arevalo's term (1945-51) some 30 attempts were made to overthrow the government. The traditionalists' worst fears were given substance as the Communists, the only political element in the country with a program and strategy, became increasingly influential. Most of the present leaders of the Communist

-7-

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Party were active in the Arevalo government. Secretary general Bernardo Alvarado served in the Ministry of Economy; central committeeman and terrorist leader Huberto Alvarado was in the publicity office of the presidency; and central committeeman and guerrilla leader Carlos Rene Valle y Valle served in both the Education Ministry and the National Petroleum Institute.

14. Many observers expected Colonel Jabobo Arbenz, former defense minister and large landowner, to swing the presidency away from the radicalism of the Arevalo period. Instead, his term (1951-54) saw the entrenchment of the Communists, who played a dynamic and often decisive role in the government. Their enhanced influence greatly widened the gulf between the left and right, and harassment by both sides brought the country to the verge of class warfare.

15. Colonel Carlos Castillo Armas and his "army of liberation" overthrew Arbenz at midpoint in his constitutional term. With the bulk of the population either apathetic or ambivalent in the brief civil war of 18-27 June 1954, the balance of power rested with the army, whose leaders were unwilling to plunge the nation into a bloodbath to support a regime that they finally saw as Communist-dominated and bent on undermining the position of the armed forces. Even erstwhile supporters of Arbenz wavered when, in the face of the Castillo Armas threat, Arbenz was forced to adopt repressive measures even more ruthless than Ubico's police tactics.

16. The main concern of the Castillo Armas' administration was the elimination of Communism in the country. In general it represented a return toward the old-style social structure, but without the political rigidity of the prerevolutionary era. The distance between the government and the governed again was widened as the mass organizations of the revolution were dismantled.

-8-
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17. The assassination of Castillo Armas in 1957 left the country in political confusion. After two elections were inconclusive, in 1958 the congress finally selected General Miguel Ydigoras as president. Parties on the left and right scrambled for dominance during a five-year period of mushrooming corruption and inefficiency. Ydigoras was able to last out almost all of his term only because of his skill in dividing the opposition and playing off diverse groups against one another. Administrative chaos was matched by political turmoil, with some 30 presidential hopefuls maneuvering and haranguing. In addition, the Communists were able to recoup most of their earlier losses as Castillo Armas' anti-Communist legislation lapsed or was weakened, and by the pre-election period in 1963, the Party and front groups were operating with relative openness. The final straw was Arevalo's clandestine arrival in Guatemala amid speculation that Ydigoras was conspiring in a proposed revolutionary comeback for the ex-president. Distrust of Ydigoras and disgust with the total national disorganization were nearly unanimous. Although Defense Minister Colonel Enrique Peralta had restrained advocates of a coup in the past, he led the military in the ouster of Ydigoras in late March 1963.

18. Ydigoras' continual juggling of political elements set the stage for the triumph of extremism, and the new military government provided a backdrop for the terrorist politics that by now have become standard. Although the military government itself was not markedly repressive, its lack of legitimacy provided incipient guerrilla groups with a raison d'etre. Armed rebels, led by dissident junior officers from the Guatemalan military, prodded the Communists away from polemical theorizing into active insurgency. The military regime had almost no success against the guerrillas, and they operated with relative impunity, particularly in the Sierra de las Minas in the departments of Izabal and Zacapa. Political and operational dissension within the guerrilla groups was the insurgents' primary problem.

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19. Since 1963, the raucous politics that characterized the Ydigoras period have been almost totally absent, the outstanding exception being the campaign for the 1970 elections. Full constitutional guarantees have been operative only sporadically over the past eight years as governments invoked various emergency conditions to cope with the subversive threat.

20. After many delays and much plotting, in 1966 the military government permitted elections. The victory of the major opposition party--the center left Revolutionary Party (PR)--over two strongly conservative parties was in large part political fantasy. To take and hold office, President Julio Cesar Mendez Montenegro had to grant carte blanche to the armed forces in military affairs, particularly in the field of counterinsurgency. The army's frequently indiscriminate antiterrorist campaign left thousands dead and a battered but unbroken insurgent movement. In social and fiscal affairs, Mendez tread lightly, backing off from reforms that upset important vested interests. Nevertheless, his do-nothing government was in one respect unique in Guatemala: it survived its full four-year constitutional term and then handed over its authority to the duly elected opposition.

21. The first year of President Arana's term has been marked by an unrestrained campaign against the insurgents. The extension of security operations beyond terrorists to real or imagined collaborators, leftist intellectuals, and miscellaneous criminals and delinquents has affected a significant portion of that very narrow segment of Guatemalan society that participates in the national life. Antagonism between the politically operative forces--the parties, the army, and the insurgents, seems likely to intensify, and the prospect for a happy outcome is dim.

The State of the Insurgency

22. The fortunes of terrorist groups have fluctuated during the ten years they have operated in

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Guatemala. The current counterinsurgency effort has battered the subversives as severely as did the similar effort under President Mendez from late 1966 to early 1968. Stung by domestic and international criticism of the bloodletting at that time, Mendez all but canceled security operations, and the lull that ensued until Arana took office last July gave the insurgents time to reorganize and implement lessons learned about their own vulnerabilities. When Arana strengthened security measures, the insurgent movement was a harder nut to crack, but the government has nevertheless put the insurgents on the defensive over the past few months.

23. The insurgents unable to establish organizational unity or common goals, have been their own worst enemies. Their movement began during a rebellion of the armed forces in 1960, but nationalism was soon sullied by intrusions of the Soviet-oriented Communist party, Mexican-based Trotskyists, and Cuban-sponsored guerrillas. As a result, organization, numbers, alliances, and rivalries have continually shifted over the years. At any given time, including the present, there are reports of new dissension and policy disagreement. Currently, as during most of the time since 1966, there are two major insurgent groups, the Communist party (PGT) and the Rebel Armed Forces (FAR).

24. The FAR, long and actively supported from Havana, is a group whose only aim is to destroy existing social, political, and economic structures by violent methods. It has no set political program, and its leaders show no original or imaginative revolutionary thought. The operations of FAR, although not without sophistication, fall far short of the campaign expertise of the Tupamaros in Uruguay. FAR members are mainly young people with a simplistic view of world affairs. They are fanatic in their hatred of both their own government and the US Government, which they hold responsible ideologically and materially for all they see wrong with Guatemala.

-11-
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25. The Communist Party (PGT) includes some young fanatics, but on the whole it is less narrow in its view and approach than the FAR. The leaders of the PGT, who were witnesses to and participants in the revolutionary governments of the 1940s and 1950s, survived the counterrevolution and are known and respected throughout the Communist world. The party accepts and uses violence as a revolutionary method, but not as its only or even its most important method. Its broad strategy still calls for long-term preparation of the masses to form the basis necessary for a full-scale effort against the entrenched, feudalistic system. The party, moreover, has a plan--albeit perhaps a vague one--for governing; it has tasted power once, and would have some capability for governing again if it had the chance.

26. The history of the PGT and the prominence of some of its leaders add both to the party's vulnerability and to its strength. On the one hand, the visibility of the leaders and supposed collaborators (especially those who were members of the revolutionary bureaucracy under Arevalo and Arbenz) makes them easy targets. On the other hand, the important connections that many of the most capable leaders of the party enjoy provide them a fairly reliable margin of safety. During the harshest period of the Arana crackdown, a central committee member who was also the leader of the PGT terrorist arm was arrested and then released, reportedly through a bribe, but probably at least as much because of the merits of his connections.

27. Both the FAR and the PGT have taken serious losses since the Arana government established the state of siege. Several military operations against safe houses netted large numbers of documents, propaganda materials and arms, and led to subsequent arrests of insurgents. [redacted] has confirmed that both FAR and PGT have been hurt by the government raids. Both groups have engaged in some self criticism, blaming poor security and lack of discipline for some of their losses. In addition, distrust between the two groups has mounted. The FAR is particularly suspicious of the PGT, which FAR

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leaders believe has bought some protection by providing the government with information on the FAR. The PGT, with about 40 leadership positions, had lost at least five leaders by June 1971 and the FAR, with perhaps 30 chieftains, had lost about eight.

28. The terrorists have not abandoned all activity, but evidently they have accounted for only a small portion of the violence in Guatemala over the past several months. Both the PGT and FAR have vacillated on plans for a spectacular act designed to retaliate for their losses and to symbolize a continuing ability to strike the government at will. The leadership is apparently unwilling to take chances and incur further risks. The time seems ripe, nevertheless, for one of the groups to attempt some important action. In the past, the terrorists' most notorious and daring acts, including the murders in 1968 of the US ambassador and two US officers in the military mission have occurred when the insurgents were feeling the pinch of security operations.

29. Although the damage inflicted on both terrorist groups by the government is severe, it is probably far from mortal. certain routine organizational activity is continuing. The PGT, especially, remains busy on political projects discussing recruitment goals and experimenting with methods of broadening its popular base. Captured FAR documents include recent studies of the strengths and weaknesses of individual members, analyses of the government's campaign, and projections of revolutionary progress.

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30. The insurgents may now have access to increased outside aid. Cuba has been assisting the FAR and might be disposed to boost support for the long-favored Guatemalan revolutionaries. The PGT receives financial support from the Soviets through a communications network in Mexico. The PGT is also helped by journalistic support from its exile community in Mexico, a group that is currently planning

-13-

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wider and more sensational publicity for the PGT cause. In addition, sporadic and often unconfirmed reports indicate continuing efforts by former terrorist leaders who left or were ousted from the movement to regroup and open new guerrilla fronts in Guatemala.

Counterinsurgency, Arana-style

31. President Arana has firmly and frequently committed himself to a contained and professional action against the insurgents. Nevertheless, his "pacification campaign" closely resembles the type of counterinsurgency that Guatemala first witnessed in Zacapa in 1966-68 when then-colonel Arana was brigade commander. Public reaction has been mixed. His critics regard him as a man wedded to the brutal suppression not only of "guerrillas" but of all leftist opponents; others see him as a traditional strong man untrained in the art of governing and dominated by fanatical right-wing supporters; his associates and supporters view him as a new "liberator" from the Communist menace.



General Arana
President of Guatemala

32. Arana has made some effort to project himself as a leader above partisan goals, as more open-minded and perhaps more "decent" than his closest associates. In fact, however, he seems most comfortable following the advice of his hard-line advisers, such as minister of government Jorge Arenales and president of the congress Mario Sandoval. These men, who advocate a "decisive blow" against the subversives, make no secret of their inclusion under the terrorist label of university professors and other leftist intellectuals whom they consider "mentors" of subversion. Only a few days before he imposed the state of siege, US officials reported that Arana was not pleased with pressure from Arenales and Sandoval. He also indicated that he was frustrated by his realization that regardless of what he did he would be criticized. He

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told the US officials that he had decided that there would be more merit in being condemned for firm policy than for inaction.

33. The President seems to have settled for a combination of policies that satisfy his commitment to law and order as well as to the "marginal Guatemalan." To carry out his counterinsurgency campaign, he is using the extreme right, which has consistently viewed pacification as a crusade against the Communists and as revenge for the deaths and persecution of its own party faithful at the hands of the far leftists. The counterinsurgency campaign shows little or no discrimination among shades of extremism and counts as equally favorable the assassinations of FAR leaders and of legal opposition leaders, whom they consider on the insurgents' side. Meanwhile, the government has moved forward on social reform projects. By his frequent tours into the rural areas, President Arana has made his government visible in regions never before traveled by a chief executive.

34. Violence may have reached unprecedented heights since the imposition of the state of siege mainly because of the government's clandestine assassination squads. The level of violence at any given time is apparent rather than precise because bodies are often found weeks or months after death. The proportion of true "subversives" among the dead varies substantially from area to area, as considerable leeway is accorded the leaders of the security operations. Zone commanders in the hinterland, for example, act with a high degree of autonomy. A new variable was added in the government's recent authorization of special security arrangements for the large plantation owners. The US defense attaché learned in May from large landholders in San Marcos and Retalhuleu that the government unofficially permitted them to arm their trusted employees and to set up a radio security net. Similar cooperation apparently has been achieved on the south coast of Escuintla, where finca owners have recruited recently discharged soldiers and followers of rightist strong-man congressman Oliverio Casteneda to serve as armed security personnel.

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Parties in Disarray

35. The most prominent politician in Guatemala today is Mario Sandoval, leader of the rightist coalition that brought Arana to power. His own National Liberation Movement (MLN) overshadows its ally the Institutional Democratic Party (PID), a makeshift group assembled by the military government in the mid-1960s. Sandoval's roughshod treatment of the PID has done little to ease natural strains between the two coalition parties. Sandoval, who served as Castillo Armas' personal secretary, is a ruthlessly militant rightist, who has discouraged any activity that might enlarge the MLN's image to more than a professional anti-Communist group. As a result, his leadership has reinforced the MLN stereotype and left the party very narrowly based. There is some evidence of internal division over Sandoval's personalist rule. The lack of second-echelon leaders and the realization that they are high on the insurgents' target lists lead MLN leaders to adopt a grim view of the future. They see only two possibilities: continuation in power or death.

36. The opposition parties, considerably more constrained than the coalition under the state of siege, have had to operate semiclandestinely. The largest opposition party, the centrist Revolutionary Party (PR), is suffering a leadership crisis. Two abortive attempts to elect party officials have divided the party between old guard and young liberal elements. Long-time PR stalwart Carlos Sagastume Perez is head of a rightist wing that may be considering alliance with an Aranista political grouping. The PR's most active and aggressive leader, former foreign minister Alberto Fuentes Mohr, went into voluntary exile in fear of his life after the Arana government had imprisoned him at the time the state of siege was established. Fuentes' rhetoric about the need for a move to the left frightened moderates in his own party, and in the eyes of the right he became a symbol of leftist extremism. His departure from Guatemala probably weakened his political position substantially, but perhaps only temporarily, as the

-16-

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counterinsurgent campaign is helping consolidate Fuentes' position within the liberal faction of the PR. Fuentes himself has reportedly been plotting against the government and attempting to form a leftist political group. The leader of the PR deputies in congress recently indicated to US officials that they believe the legitimate political opposition is being forced against the wall by the government's indiscriminate murder of innocent victims.

37. Although the MLN can for the most part live with the PR--unless and until it "goes left" with Fuentes Mohr--the democratic left is beyond the pale of acceptability. In addition to an amorphous element of "Arevalists" dating from the old revolutionary days, Guatemalans generally consider the democratic left to include two political groups: the legally registered Guatemala Christian Democracy (DCG) and a less formal grouping, the Democratic Revolutionary Unity (URD). The left in Guatemala is a highly elitist group of proud intellectuals whose superiority in oratory, populism, and publicity gambits feeds the obsessive fears on the right that the left is stronger than it appears and that the "democratic" left is thoroughly infiltrated by Communists. The DCG and URD drew 20 percent of the vote in the 1970 elections. Their key stronghold is Guatemala City, where they captured the mayoralty and where they now control the municipal government.

38. The democratic left at first was sympathetic to the difficulties the Arana government faced in dealing with the security problem and was happy with Arana's social development program. But after the shooting of two prominent intellectuals associated with the PGT in November 1970, DCG and URD leaders became worried. Heightened Communist terrorism in December, including the murders of an MLN congressman and a controversial labor leader, gave rise to rumors that the government would retaliate. When the security forces assassinated the sole URD congressman and the country's major peasant leader the leaders of the democratic left were fully convinced that the Arana government had opened a campaign to eliminate

-17-

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all left-of-center political opposition. The DCG leadership made representations to the US Embassy, urging the US Government to exert its influence to change Arana's policies. The DCG secretary general and the URD mayor of Guatemala City temporarily left the country, believing themselves next on the government's assassination list.

39. Guatemala City Mayor Colom Argueta claims that he is deeply troubled about Arana's alleged fits of rage. Colom believes that all key figures on the left are potential targets should something provoke the president at a given time. The kidnaping and murder last month of Colom's half-brother is interpreted by the mayor as an attack upon himself. Adding to the fears among the left are repeated public references by Arana associates to alignments between the opposition parties and the subversives. For example, at the opening of the second year of congress early this month, Congressional president Sandoval spoke of the decadent role of the Catholic Church and of the dangerous openings Christian Democracy was providing to subversives.

The Military

40. Traditionally, the armed forces have been the most important political force in Guatemala. Since the military assumption of government in 1963, they have broadened their position in society and consolidated their bases of control. The officer corps forms a small but powerful clique within the national society that normally has little chance to mix with civilians let alone to build real friendships in the civilian sector. A respected sociologist in the Latin America field has noted that the natural propensity for cohesion in the military has developed to a remarkable extreme in Guatemala. He points out that even the young officers who became guerrillas retained personal and informal relations with some of their former colleagues. The corporate nature of the military is reinforced by the fact that future officers are brought into the military polytechnic academy after grammar school and receive

-18-

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their five years' training during adolescence. Although General Ubico, overthrown in 1944, was the last of the dictators in Guatemala, military men have held the highest political office for most of the time from 1944 to present.

41. The ever-present threat of military intervention is a strong inhibitor that intimidates the professional politicians. The parties on the democratic left believe, probably correctly, that the armed forces would not permit them to take power. When President Mendez assumed the presidency in 1966 the officer corps was deeply concerned and forced him to abdicate his power in particular areas. As a career military man, President Arana is highly acceptable to the armed forces and probably will enjoy their continued support. The fact that Arana must also deal with his civilian party supporters nevertheless opens the possibility of eventual conflicts of interest with the officer corps.

42. The existence of a leftist group within the officer corps is occasionally suggested by observers of and participants in Guatemalan politics. In projections of a possible Peruvian-style coup, two officers consistently enter the scenario: the chief of the school of advanced military studies, Colonel Ricardo Peralta Mendez, and the head of the military academy, Colonel Jose Rios Montt. No hard information confirms the existence of a "Nasirist" clique in the services, but the prevalence of the notion may indicate some basis in fact. Mayor Colom Argueta recently claimed that "many" military officers were unhappy with Arana's pacification effort, which they considered more political than antiguerrilla.

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43. On the basis of data available, however, the armed forces seem unlikely to step leftward in the foreseeable future. It is the armed forces that have been used as principal executioners of guerrillas,

-19-

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troublemakers, and even those with whom the "legitimate left" identifies. A retaliatory purge would inevitably accompany a political turnaround, and at present military institutional unity is an overwhelming barrier to such a development. If, however, civil strife continues much longer, revolt by some portion of the armed forces is a possibility.

Outlook

44. The extreme violence with which Guatemalans have lived in the past decade has both polarized and brutalized the society. The public tolerance for lawlessness and violence is evident in the general apathy with which more than a hundred politically motivated assassinations were greeted in May 1971. Violence seems to become significant in the eyes of the public only when persons of prominence are victims. Some of the quiet that passes for apathy, however, is fear, as guilt by association with either side is often fatal.

45. The institutional progress implicit in Arana's constitutional succession with no break in the legal process probably is more illusory than real. The possibility of a free election in which the legal opposition could expect to enjoy the fruits of victory seems no greater now than in 1963. The legal method by which Arana became president loses some of its ostensible significance in light of the probability that no other party would have been permitted a peaceful take-over of office.

46. Guatemala's political parties, especially the democratic left and the MLN, have a paranoid view of their own situations. Those in the MLN who have lived in fear of a terrorist attack for over a decade believe that the leaders of the legitimate left have abetted the insurgents. They also believe that the Guatemalan electorate will support the opposition in 1974, and that the leftists will completely destroy their personal security. The left views the MLN in equally simplistic terms. They see its members as

-20-
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killers who have already eliminated one of their leaders and who threaten the others. The progressive hardening of stereotypes seems to have removed all chance for the kind of accommodation that finally contained similar political fratricide in Colombia. Nor does Guatemala have the visible national leader commanding respect and trust beyond his own partisans that Colombia could turn to.

47. The most likely prospect is that the right will entrench its position in the form either of an extended term for President Arana or, should the military again see the civilian politicians as intolerably disruptive to the national life, of a successor military government. As the leftist list of grievances against the incumbent government grows, it is increasingly unlikely that those in power now would risk the accession of the leftists to power.

48. The society has become inured to a high level of violence, but how long Guatemalans can accept political fratricide remains a question. Polarization continues, and growing desperation on the part of the democratic left is suggested by its offers of collaboration with the Communists, in spite of all the dangers of such an association. The most respected daily newspaper in Guatemala on 30 September 1970 described the narrowness of the views of all segments of society: "In Guatemala each sees violence from his own perspective. Students protest over violence against students, officials over the death of their agents, and even we the press complain with special intensity over attacks on our own colleagues. This is not a new phenomenon. Blood begets blood, hate brings vengeance, and these ingredients are poisoning the soul of our nation, perhaps irreparably."

-21-
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

9 November 1972

STAFF MEMORANDUM NO. 53-72 (CIA Distribution Only)

SUBJECT: Guatemala: Godfather Politics

NOTE

The political reporting from Guatemala reads more and more like a late-night TV horror movie. Who cares? Probably nobody for now. But we would expect that sometime over the next year, US Congressional and journalistic critics of our military and police assistance programs will catch the scent from the bloodiest scene in LA. This memorandum [REDACTED] attempts to get you to share our discomfiture with the situation.

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