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ENCLOSURE

The Growth of Communist Political Influence

1. The first conclusion of NIE-84 reads as follows:

The current political situation in Guatemala is adverse to US interests. The Guatemalan Communists exercise a political influence far out of proportion to their small numerical strength. Their influence will probably continue to grow as long as President Arbenz remains in power.

2. This conclusion remains valid. Under the patronage of Arbenz, Communist influence in Guatemala has grown during the past year and will probably continue to grow. This growth is not the result of any innovation, but of a year's further development along lines previously established.

For example:

- a. There has been further development in the organization of rural workers as a political force under Communist influence and control (as was anticipated in the sixth conclusion of NIE-84). The Communists have demonstrated a capability for the rapid mobilization and assembly of considerable numbers of these workers for political demonstrations.

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b. The Communists are probably also capable of mobilizing up to 20,000 of these workers as an armed militia available to support the regime in an emergency. We cannot confirm reports of the existence of such a para-military force, but would consider it a logical development in the circumstances. There is good reason to believe that the required quantities of small arms have been distributed and cached under the control of Communist agrarian organizers. It is not apparent that this putative militia has received any appreciable military training. Even without such training, however, a substantial number of rural workers, armed and organized, could exert considerable political and military force.

c. The Communists have strengthened their control of the pro-Arbenz political parties. The Communist Party itself is small, but crypto-Communists control the other parties in the pro-Arbenz coalition and through them effectively control the political life of the country.

d. There is good reason to believe that Arbenz' decisions on Guatemalan domestic and foreign policy are reached, not in the official cabinet, but in a kitchen cabinet composed of four Communists and six pro-Communists.

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would require the active support of a major portion of the Army.

The Position of the Guatemalan Army

7. The eighth conclusion of NIE-84 reads as follows:

The Army is the only organized element in Guatemala capable of rapidly and decisively altering the political situation. Although a quick change of attitude is always possible, there is no present reason to doubt the continued loyalty of the Army high command and of most of the Army to Arbenz. The Army under its present leaders could not be expected to take revolutionary action unless they became convinced that their personal security and well-being were threatened by Communist infiltration and domination of the Government...

8. We consider the probable action of the Army to be the critical factor in the situation. In modification of the second sentence of the quoted paragraph, we note certain indications of unrest, even of disaffection, among Army officers which suggest that the precondition for revolutionary action specified in the third sentence may be approaching fulfillment. G-2 (Colonel Hennig), however, would reaffirm the second sentence, stressing the watchful control which Arbenz exercises over the Army command, the considerations of personal advantage which bind key officers to the regime, and the disposition of the rank-and-file to follow their leaders. This difference is a matter of emphasis rather than of essential substance. All

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would agree that a revolutionary potential now exists in the Guatemalan Army, but that the Guatemalan Army is not likely to take spontaneous action against the Arbenz regime.

9. The Communists will be concerned to neutralize the revolutionary potential in the Army. With the passage of time they may succeed in doing so by: (a) a gradual purge of disaffected officers; (b) subversion of the enlisted personnel; (c) a gradual reduction of the military capabilities of the Army by the government's failure to replace used weapons, equipment, and ammunition; and (d) further development of a Communist-controlled workers' militia as a counter-balancing force. There are current indications of action along these several lines.

The Position of Other Central American Republics

10. The ninth conclusion of NIE-84 reads as follows:

...The Governments of El Salvador, Honduras, and Nicaragua...are fearful that the trend in Guatemala will lead to Communist subversion and social upheaval in their own territories. They are probably giving serious consideration to the possibility of effecting a political change in Guatemala through clandestine support of revolutionary action there. It is highly unlikely, however, that they would or could mount an open military intervention in Guatemala.

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11. This conclusion remains valid. Prospective US military aid to these countries will take time to become effective and is not likely to alter the situation substantially. To the extent that it reassures them regarding their security against Guatemalan retaliation, it may embolden these countries to render clandestine support to revolutionary activities in Guatemala. Open military intervention would be a doubtful adventure at best, all the more so in view of Latin American sensitivity on the subject of intervention as recently demonstrated anew at the Caracas Conference.

12. The current imbroglio between Nicaragua and Costa Rica has weakened Central American solidarity in relation to Guatemala. If long continued, it may cause Costa Rica to look to Guatemala for support. The approaching election in Honduras presents opportunities for Guatemalan intrigue in that country and the possibility of an adverse change there.

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