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22 May 1958 ✓

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Elements of Risk in the Prospective Visit of Dr. Milton Eisenhower to Central America and Panama

1. Dr. Milton Eisenhower is planning to make a visit to the five Central American countries and Panama between 15 June and 6 July. The psychological effect of the anti-US demonstrations in Lima and Caracas during Vice President Nixon's tour is likely to stimulate ultra-nationalists and Communists to stage similar demonstrations against Dr. Eisenhower in order to embarrass and discredit both the US and the local governments. Even if Dr. Eisenhower's public appearances were held to a minimum, there would be opportunities for such demonstrations in all the countries on his itinerary, and any demonstration might get out of hand. The probability of violence is greatest in Guatemala and Panama, the first and last countries on his route. In both there is already serious student unrest and there are readily exploitable anti-US issues.

\* The substance of this memo was discussed with DDP and OCI at the working level.

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2. All of the governments will probably do their best to prevent or control disorders, with the possible exception of the regime in Panama. In no country does the government have sufficient intelligence capability to forewarn itself of plans for demonstrations which might turn into serious disorders. The security force in Panama is probably the most capable of putting down popular manifestations. Those in Honduras and Guatemala are the least efficient in the area.

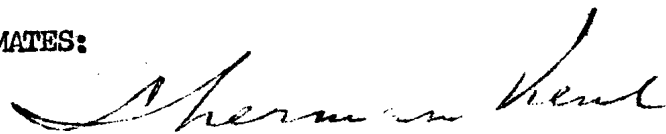
3. Guatemalan President Ydigoras has personally admitted his inability to take effective action to prevent a disturbance, and has unofficially made clear his desire that the Eisenhower trip be postponed. June, the month in which Dr. Eisenhower plans to visit, is normally a period of student ferment. There is growing public disillusionment with Ydigoras' failure to provide strong leadership. Leftists including Communists are gaining strength daily. These elements can readily exploit existing student and labor unrest to organize demonstrations against alleged US intervention in 1954, support for dictatorships, and economic imperialism. They could also play on resentment against the American-owned fruit, railroad, and electric companies and US failure to back Guatemala's claims to British Honduras.

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4. In Panama, powerful nationalistic politicians are already carrying on an agitation against the government for its failure to assert Panama's claims to sovereign rights in the Canal Zone and to a share in the canal's gross income. There is already considerable popular irritation over these issues, over US delay in implementing fully the Remon-Eisenhower Treaty of 1955, and over a general deterioration of the economic situation. Moreover, there have recently been serious disturbances among the normally volatile students. Thus ultra-nationalist and Communist agitators could readily exploit unrest among the students and the unemployed to foment violent anti-US demonstrations on the occasion of Dr. Eisenhower's visit.

FOR THE BOARD OF NATIONAL ESTIMATES:



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