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VIA: AIR
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. HGG-A-591

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Security Information
CLASSIFICATION

805
[Signature]

TO : Chief, WHD
FROM : Chief of Station, Guatemala
SUBJECT: GENERAL— PBSUCCESS

DATE: DEC 30 1953

SPECIFIC— Letter from Ambassador Peurifoy to Assistant Secretary of State Cabot dated December 28, 1953

1. Attached is a copy of a letter which was drafted by Second Secretary John C. Hill and concurred in by Counsellor of Embassy William L. Krieg and First Secretary Andrew B. Wardlaw.
2. A copy of this letter fell into the hands of the writer, and I am taking steps to forward it, inasmuch as it is possible that a copy thereof might not be received by Headquarters through other channels.
3. The letter serves to indicate the attitude of the three officers mentioned, and in view of the recommendations made therein, they, of course, will be in a state of expectancy during the coming months as to what is actually being done concerning this situation. Events of the future will be interpreted by them in the light of the recommendations made.
4. Unless Headquarters receives a copy of this letter through Assistant Secretary Cabot, it is considered important from a point of view of our local relationships with Embassy personnel that no one at Headquarters give the slightest indication that Headquarters is knowledgeable of the contents thereof.

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

2003

29 December 1953

Enclosure: as noted

Distribution:
3 - Washington w/encl
1 - Lincoln w/encl
1 - Files w/o encl

[Kenneth S. Givloch]

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COPY

American Embassy
Guatemala, December 28, 1953

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Dear Jack:

You will have seen my Secret Telegram No. 163 of December 23 in which I recommended certain policies which we believe would create a climate favorable for a change in the Guatemalan Government. In this supplementary letter I want to round out those recommendations by stressing the need for the U.S. Government to work actively and quickly to assure that the Guatemalan Government is taken over by elements willing and strong enough to eliminate Communist influence from the Guatemalan political scene when the time comes. When the pressures suggested in my telegram become effective here, the Communists as well as the potential opposition to the regime may be expected to seek to exploit the situation and we must then be as sure as possible that elements favorable to our objectives are in the winning position.

As a result of my conversation with President Arbenz and general evaluation of the situation since my arrival here two months ago I am fully convinced that continuance of his administration until its term expires in 1957 will result in a further and dangerous advance of Communism in this country, with all the attendant peril to our security and economic interests in this area. It might well then be too late to root it out without an internal clash of the type that occurred in Greece and elsewhere. I believe further that the internal opposition to the Arbenz regime is unlikely to act independently and that the U.S. Government must accept the risks inherent in helping to bring about a change of government here.

The principal problem now is selecting a force, which should if possible be a Guatemalan force, capable of taking control of the government with our aid and of besting the Communists in the troubled times which will almost certainly surround any change-over. If a change is to be achieved in the near future, the most

Honorable John M. Cabot
Assistant Secretary of State
Department of State
Washington, D. C.

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Hon. J. M. Cabot

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promising organization which meets the requirements for such a force is the Guatemalan Armed Forces, possibly acting in conjunction with such exiled military and political figures and domestic groups as will cooperate. The internal "anti-Communist" opposition now is badly divided and without a workable political program or an organization immediately available. It would, I believe, take many months of effort and failures to get the "anti-Communist" factions together behind a plan with any chance of success; there would be continual high risks of exposure; and in any case it is doubtful whether even in the event that they win they could stick together on a program which would satisfactorily reduce the chances of a Communist-influenced counter-revolution.

I would therefore recommend that the Department select the Guatemalan Armed Forces as the primary area in which any effort to stimulate anti-government action is most likely to be fruitful. Though now loyal to this government they are basically opportunistic. Efforts to win over key military personnel must be done, as I know the Department is fully aware, so as to take the minimum risk of exposing our hand, by using a judicious mixture of our clandestine channels, our influence with neighboring anti-Communist governments and our contacts with Guatemalan exile groups together with such other contacts with the Military as we can maintain locally. It, of course, will mean expenditure and some risk of charges of intervention which could be serious if the matter is clumsily handled. But this risk must be accepted or we must be prepared to abandon this field to Communism.

The approach to subverting the Armed Forces should of course be flexible and we should attempt simultaneously to develop the other groups, such as dissatisfied and opportunistic elements within the Administration and the "anti-Communist" opposition. While our effort should be concentrated for effectiveness on one group, we must be prepared to shift quickly if our first approaches fail, and to work out combinations of forces if opportunity offers. In this connection, military personnel with government connections such as Colonel Elfego Monzon, as well as the "anti-Communist" movement, should be closely studied for any role they might usefully play.

The measures recommended in my telegram are intended to be closely coordinated with the forging of a non-Communist force to take over here, for of themselves they do not guarantee that a change favorable to us would occur. What I expect is that

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Hon. J. M. Cabot

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the program outlined in the telegram would (a) prepare hemispheric and Guatemalan opinion for a change and dull the charges of intervention which may be expected to be leveled at us, and (b) to create here a climate in which important segments of the population and especially the Armed Forces and propertied class felt their interests sufficiently threatened to be stirred from their present lethargy into a better disposition to take the risks necessary to cooperate actively in bringing a new government into power.

We must be as certain as possible, however, that a non-Communist force is prepared to step in at the proper moment. The actual application of economic sanctions would probably hit the propertied classes here harder and more quickly than it would the government, and if long-drawn-out it might well damage irreparably the propertied class and prevent it from retarding the advance of Communism. The Communists, of course, could then be expected to exploit the situation with confiscatory taxes and measures, economic sabotage laws, etc., in order to complete the ruin of the conservative segment that they have begun by their application of the Agrarian Reform Law.

What I suggest, in short, has two complementary aspects: the measures to create a climate favorable for a change recommended in my telegram, and coordinated measures to win over and support a non-Communist force capable of controlling the situation as urged in this letter. I see the risks of exposure and recognize that the program would have to be carefully worked out in Washington and here, for a misfired attempt to change the present Guatemalan Government would most probably greatly strengthen the Communists here and damage our standing everywhere if our part in a failure became generally accepted. However, as I see it, Communism is slowly strangling this country, and delay will only face us with a more difficult problem later.

Sincerely yours,

John E. Peurifoy

ABWardlaw/JCHill/WLKrieg:cs