

CIA HISTORICAL REVIEW PROGRAM

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2003

LINCOLN

DISPATCH NO. ~~HGG-A-1093~~

~~SECRET~~ PPSUCCESS RYBAT

CLASSIFICATION

DATE: MAY 18 1954

FROM : Chief of Station, Guatemala [] INFO: WHD; []

SUBJECT: GENERAL— K-Program []

SPECIFIC— Progress Report - []

1. Contents of the written brief forwarded to your Headquarters as HGG-A-1087 were communicated by ESQUIRE to [] in the course of a short and hurried meeting in the evening of 14 May. Inasmuch as a subsequent meeting has been scheduled for 18 May in order to go over the various topics set forth in HGG-A-1087 once more, a complete report will be submitted after the results of the 18 May meeting are in.
2. It appears unlikely at this stage that [] can be induced to assist in the priming of garrison staff personnel in the provinces. He feels that in view of the delicacy of his status vis-a-vis the government this might be taking unnecessary risks with scant assurance of success. He opined that most of the officers in the provinces whom we have targeted for recruitment could more advantageously be approached through some close friend among the civilian residents of their garrison town. He is prepared, on the other hand, to provide us with [] of the officer personnel in whom we are interested, not all of whom are, however, known to him personally.
3. ESQUIRE, on the basis of his last talk with [], appears quite sanguine in anticipating a gradual loosening up the first result of which would be a disclosure of the identities of some of the ranking officers in Guatemala City in whom [] reposes unqualified trust. We shall continue to press for this information but do not wish to hold out hope for immediate results. As regard SMILAX, it now appears that his initial reaction when it was suggested to him to meet a representative of the consejo was rather hostile. For the first time, [] quoted him as saying: "But that is treason." [] is naturally loath to press SMILAX for further commitments as long as he maintains this "neutralist" posture. PAGE's view, that tangible evidence of a paramilitary conspiracy in the making will ultimately sway him, remains unchanged.
4. As was to be anticipated, [] has grown more sensitive toward even remote manifestations of government vigilance or doubts regarding his loyalty. He now definitely feels that he may be under suspicion although there has not as yet been any indication of

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government surveillance. As an example, in a recent talk with STANDEL-2 he discerned for the first time a distinct coolness, suggesting that he is no longer accepted as privy to certain military information.

5. [] with alacrity, took to our suggestion that he commit to paper some of his ideas regarding propagandistic handling of the officers' problem. He was told that his views, if found acceptable by the consejo, would be incorporated in a programmatic statement now under preparation. [] adamantly maintains that nothing will be gained by singling out individual officers for vituperation. In this context, he mentioned that he was of course aware of the fact that [] could not afford to build a \$100,000 house from his salary. "I know that he must have gotten this money by crooked means and he knows this as well. He also knows that I know. But what earthly good would it do if I tell him?" In sum, [] does not see much merit in antagonizing officers who, like [] have after all a personal following among the officers of the Guatemalan Army. ESQUIRE indicated in his talk with [] that the consejo was unlikely to go along with [] premise.
6. ESQUIRE is convinced that [] has fully grasped the nature of the intelligence which he will be expected to purvey. He brought up the nature of [] trip to Puerto Barrios, which had originally been scheduled for one day and which, for reasons [] was unable to fathom, had extended over almost five days. He surmised that [] may have been sent to inspect the Puerto Barrios airfield, a guess based on the government's known anxiety to procure planes. He also stated that he had been able to gather some concrete evidence regarding communist penetration of the Guatemalan Army which he would produce at the 18 May meeting.
7. In the course of the 14 May meeting, [] remarked that he did not necessarily consider prevalent anti-communism a key to the solution of the officers' problem, because there are too many among the anti-communist officers who are ignorant of national and world problems, others which are primarily interested in money and position, and again others who feel bound by their oath of loyalty to the government. Although this appears to be in flat contradiction to some of the statements made by [] in the presence of PAGE, he now maintains that many of the officers of the Guatemalan Army can be bought and that the government has ample funds at its disposal for this very purpose. "Wasn't it true that the government paid \$5,000 for the incriminating photostats?" (presumably in reference to the White Paper). [] believed that any propagandistic approach should stress the aspects of Patriotism, Unity and Convenience (sic), not necessarily in that order.
8. ESQUIRE is under instruction to continue pressing [] for personality information and for an engagement to approach certain carefully selected personalities in the military hierarchy of

Guatemala City. It is appreciated that pressure can be exerted only to the point where [] is beginning to feel that an attempt to curtail his freedom of decision is being made and ESQUIRE has been cautioned to progress in stages rather than by direct assault. Our original estimate, that [] may ultimately be in a position to bring a few important officers into the fold, remains unchanged.

9. [] disavowed all knowledge of government plans designed to cope with an internal uprising. He is convinced that, what government plans there exist are premised on the anticipation of an attempt to invade Guatemala from contiguous countries. [] strongly implied that he would know at least about the existence of a counter-insurrection plan.
10. In accordance with instructions, ESQUIRE solicited [] opinion regarding the likelihood of STANDEL-16's having attempted to contact the U.S. Embassy via a certain [] [] immediate reaction was to depreciate the probability of such a move on STANDEL-16's part and a promise to investigate. ESQUIRE gathered from his remarks and the manner in which they were made that STANDEL-16 is obviously a close personal associate of [] [] Field Comment: In view of prior indications that STANDEL-16's discretion leaves something to be desired, we would not rule out that common sense once more abandoned him. More likely however, is the probability that [] is being used by the Guatemalan Government as a deception channel. This matter is under station investigation and no doubt effective steps will be taken by way of blocking this channel effectively, should it turn out that STANDEL-16 is being victimized.
11. After a cursory check of the list of garrisons in which we desire to establish further logements of control, [] mentioned the name of STANDEL-12 as anti-communist yet down the line a SUMAC-2 man. [] did not appear to be fully posted on the various incumbents of garrison commands, nor are we (which makes a rather poor impression). Field Comment: No improvement in the current system of garrison control and accountability can be expected until the SECANT operation is placed on a professional basis, enabling the Guatemala Station to keep itself fully posted on his activities and to obtain an up-to-date inventory of those garrison assets not yet fully developed. PAGE fully shares NUTTING's and BANNISTER's views in that respect. He further shares BANNISTER's apprehension that any further compromise of SECANT may well set in motion a domino effect regarding the assets under SEMANTIC's control.

Graham. L. Page

17 May 1954

GLP/cmh

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