

CIA HISTORICAL REVIEW PROGRAM
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VIA AIR POUCH

RYBAT

DISPATCH NO. []-516

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PESUCZESS
CLASSIFICATION

TO : LINCOLN

DATE: 15 MARCH 1954

FROM : []

INFO: CHIEF, WHD

SUBJECT: General - Operational
Specific - Political Situation, El Salvador, 14 March 1954.

REF: HUL-A-190.

1. The following estimate of the political situation in El Salvador, in response to Para 2 of reference request, is hereby submitted. A caveat is expressed that the appraisal is made within the limitations imposed by the reference dispatch and hence restricted to the previous knowledge of the []. It should be also added that the resulting opinions reflect a correlation of fact, opinion, and reported information over the period 10 October 1954, when the [] arrived in El Salvador, to the present.

(Paragraphs are designated by the same letters as those of the guidance questionnaire)

- a. OSORIO, as might be expected from his Indian blood, operates and thinks in subjective terms. Outside menaces are all in the same category to him, differing only in the degree to which they effect Salvador and his own personal position. He is anti-interference and nationalistic rather than a fanatic anti-Communist and his resistance to Communism is predicated on practical terms of precisely how he can effectively resist it without exposing Salvador and himself to avoidable impasses.

When he assumed office he was definitely to the left in his thinking but, when the left wing sought to enhance its position and power, he swung to the far right to defeat it. When the right thereupon sought to exploit its position he denied it and assumed a center-of-the-road position which he has consistently adhered to since and from which he evidences no disposition to depart.

He can hence be said to be definitely center as of the current time and plays the left and right against each other in a masterly fashion without departing from his own secure central position. It is perhaps no coincidence that he is an expert chess player, nor irrelevant that he is now an extremely wealthy man by any standards.

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He will do precisely what he thinks is best for Salvador. If he favors anything, then it is the Army to which he owes his rise to power and present situation and in which he finds secure and adamant support. The Army in turn has benefitted tremendously from his regime and he has attained their full loyalty.

- b. OSORIO's internal position is such that it would be unjustified speculation to say he could not do as he pleases externally. However his inherent nature, as indicated by the internal position he has assumed, precludes his taking any action against Guatemala. He tolerates no interference and by the same token refrains from acts which can be construed as interference.
- c. OSORIO's reaction to CALLIGERIS remains an enigma. It is known some openly-committed CALLIGERIS supporters approached a very wealthy businessman with whom OSORIO is extremely intimate and, knowing the business man had family holdings in Guatemala, asked for support and stated they had the tacit consent of OSORIO.

Certainly if he leans toward any one of the aspirant Guatemalan leaders it would be a personal preference rather than an official one. And this incident would disprove any contention he has a personal favorite. He is known, on the other hand, to have personal and intimate contact with ERRATIC and to receive his visits kindly. There is no apparent evidence he has ever seen CALLIGERIS.

- d. No Salvadoran can influence OSORIO and anyone stating he has such influence may be instantly placed in the category of a prevaricator. He responds only to facts which he will then proceed to weight against the balance of the probable effect on Salvador and on his own position therein. Those people who see him regularly, and are the first to deny any influence on him, are:

(Salv. Minister of Defense) MOLINA
(Salv. Foreign Minister) Roberto CANESSA
(Salv. Minister of Economy) Rafael MESA AYAU
(Salv. Minister of Agriculture) Roberto QUINONES
(Salv. Minister of Vivienda Urbana) Roberto PARKER
(President of Banco Comercial) Miguel MUENAS
(President of Compania de Cafe) Tomás REGALDO
(Banker and President of the Cotton Cooperative "Liko")
* GARCIA PRIETO

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These people have never evidenced preferences for the various Guatemalan entities except to dislike ARBENZ and his followers and to make it apparent they have little if any use for "Chapines" (Guatemalans) in general whether at home or in exile.

- e. (Colonel) Oscar BOLANOS is not currently in a position to exercise any official influence. His personal influence suffered greatly when his resignation as Minister of Defense was demanded and forthcoming by OSORIO. The true reason for this demand dates back to Guadalupe Day in December of 1953 when BOLANOS offered transportation to and from Salvador to the Bishop of Havana by Army aircraft. OSORIO refused to honor the offer but BOLANOS sent the aircraft needlessly without even informing OSORIO of its dispatch. This, of course, meant BOLANOS must suffer a personal rebuff from OSORIO of such nature that his resignation was necessary.

This situation was in many ways a comedy of errors. The American Ambassador had expressed himself in such a manner, presumably, wherein it was conceived he was committed to provide official USAF transportation for the Archbishop. This being denied by Washington, frantic telephone calls were made to Foreign Minister Roberto CANESSA who would have no part of the affair. (Assistant Minister of Foreign Affairs) Dr. Azuear CHAVEZ thereupon undertook to procure the Salvadoran aircraft from BOLANOS who suffered loss of his Ministry as a result. As a matter of fact, (Assistant Minister of Defense,) Lt. Col. Alberto ESCAMILLA, had previously refused to go to his office as a token of his objection to the financial conduct of BOLANOS in Army contracting while a group of high-ranking Army Officers had called en masse on OSORIO and petitioned his relief from the post of Minister. Hence, there can be logical speculation whether the cause for relief was not divorced from the immediate occasion therefor and actually simply terminated a long existing and continuing basis of complaint.

After a period of waiting OSORIO gave him a sinecure as a Presidential Secretary. In this position the duties of which BOLANOS has never really undertaken although he does draw the salary, is without any real authority and directly under the Presidential eye. The fact BOLANOS and MGLINA both grew up with OSORIO would explain the kindness to him although the influence of the Church and a past political debt to BOLANOS may have also influenced OSORIO. Currently it can be stated BOLANOS has no specific influence. On the contrary, the Army would appear to have rejected him for reason of his questionable conduct when Minister of Defense. He is not a member of the

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- powerful Masonic group as is OSORIO and other key figures.
2. In answer to para 3 of the reference dispatch it can be said probably the best method of obtaining an answer to OSORIO's position in regard CALLIGERIS would be for an ODYOKE official to ask him the direct question. The answer cannot be reasonably predicted but it is certain an answer would result. Meanwhile OSORIO is sufficiently secure and basically enough of the Indian not to be susceptible to the press nor to be influenced by persons. Such attempts would probably only incur his wrath and anger. It is readily apparent he does not propose to be involved nor to involve Salvador in any interference in Guatemala. An example of this is in his instructions to Roberto CANESSA who is openly antagonistic to the Guatemalan regime and makes no secret of his impression something should be done about it. CANESSA has stated he has, in no uncertain terms which he dare not defy, been ordered by OSORIO not to express his official opinion nor to become involved in any manner which could compromise the Government. This may, in part, explain CANESSA's conduct at Caracas.

It is remotely possible an ERRATIC/CALLIGERIS entente might achieve a tacit assurance of non-interference with efforts based on [] since ERRATIC is known to enjoy the personal friendship of OSORIO and a concentrated effort by both gentlemen might appeal to him as insuring a friendly government in Guatemala thereafter. However, ERRATIC in all truthfulness states he would prefer to present fait accompli to OSORIO and rely on his ratification rather than approach him prematurely and risk a refusal. There is also a school of thought which points out that CALLIGERIS is accepted as a [] entity. It is a matter of historical record that these [] have always vied for influence in Honduras. By the same token it may be correctly postulated the same is now true of Guatemala. In that case it would be logical to assume OSORIO would consider ERRATICA his man and refuse any assistance to CALLIGERIS unless ERRATIC was assured of some power and influence along with him. This would fit into what is known of OSORIO's character and reactions since he would certainly resent seeing a [] controlled man in power in adjoining Guatemala especially when elections will shortly be forthcoming in Honduras as well. To ignore this school is to belie his proficiency at chess,—and no one does that! Hence the conclusion is reached that regardless of whether ERRATIC can contribute tangible assets or not to the CALLIGERIS movement, there is a definite indication an accord between them, duly made known to OSORIO, might well pay profitable political action dividends.

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CHARLES F. RENNELL

CFR/hdw-ond
15 March 1954
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