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DISPATCH NO. ~~HGG-A-1219~~ ^{LINE}

CIA HISTORICAL REVIEW PROGRAM
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~~SECRET~~ PBSUCCESS RYBAT

CLASSIFICATION

TO

2003

JUN 11 1954

DATE:

FROM : Chief of Station, Guatemala []

INFO: Chief, WHD: []

SUBJECT: GENERAL— KpProgram

SPECIFIC— []

Attached hereto is a report prepared by Graham L. Page.

[]
Cyrus E. Burnette

Attachment: one report

8 June 1954

CEB/sgl

Distribution:

2-llinc

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CLASSIFICATION

~~Secret~~

7 June 1954

K-Program

Subject: []

1. A scheduled meeting took place between ESQUIRE and [] on the morning of 7 June. Attached please find the written briefs which formed the basis of the exchange of views that took place.
2. [] reported that the Council of National Defense had called upon the President, ostensibly to thank him for the delivery of new arms, actually to avail itself of this opportunity to tell the President that the Army is solidly anti-communist and to suggest to him that he get rid of the communists in the Government. The President in his reply essentially repeated the arguments contained in his March address, culminating in the statement that democracy in Guatemala would be finished if the communists are ousted. However, as a concession to the Army, the President declared his willingness to answer questions submitted in writing by Army officers at a meeting to be called some time this week at General Staff headquarters. The Army is in effect asking the President for a change of front.
FIELD COMMENT: [] is [] a member of the Council of National Defense. He got this information from [] who is a member.
3. [] was greatly impressed by what he learned and by the sentiments expressed during a social gettogether in the Military Casino which took place in the night from 6-7 June and which was attended by many of the ranking officers of the Guatemalan Army. The general impression was one of considerable dissatisfaction with the "state of the nation".
4. Overheard by [] was Colonel Alfonso DUARTE, stationed at the Aurora Base, that if only given a platoon he would clean out the communists. Colonel Ruben Morales Dardon expressed similar elements, (he is the Chief of Army Finance). In the group were Colonels Marco Antonio Soto, President of the Military Casino and director of the School of Appliances, Julio Antillon, chief engineer of the Army, and Rafael Ariaga who works at the Defense Ministry in charge of social security matters. They all expressed the opinion that by continuous insistence the Army would be able to bring about a change in the President's policy.
5. Licenciado Fernandez, advisory counsel to the Defense Ministry, expressed "great interest" in talking to [] alone. The Army paymaster, Colonel MERIDA, will visit [] on Saturday, June 12th.
6. Lt Colonel GORDILLO, Army G-2, said to [] "I wish you were the Chief of Staff".
7. [] believes that latent anti-communist feeling is definitely coming to the surface. Each officer is beginning to think and worry about how to resolve the problem. [] gets the impression that they are all striving to take up position. (ESQUIRE's interpretation: They are testing the ground with a view to joining the winning team).
8. SMILAX' prestige has fallen as a result of recent developments. Colonel Ruben Morales Dardon talks about him as "a s-t". Up till recently he had considered him quite a man. "He has that Prussian look", is serious minded and has a great deal of personal charm. but now I realize that he is just another nonentity". SMILAX is giving [] wide berth, even avoiding meeting up with him in church.

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9. [] checked ~~three~~ independent sources regarding the alleged ~~placement~~ placement of AA guns who all denied knowledge of such a move. His sources are: SAMUC 2, Colonel [] and [] (the latter, according to [] would not try to fool ~~him~~, they disclaimed having a single aircraft gun. There were only 50 mm machine guns dating back to Ubico's days.

FIELD COMMENT:

In spite of this formidable array of subsources, their verdict should not be accepted as final. SAMUC 2 is obviously contradicting himself (see last [] report). The others may not know that the latest arms shipment is alleged to have included AA guns of varying caliber (see SWALLOW Report).

10. [] asked whether the United States have initiated some kind of program of "economic sabotage". He had heard about United States firms cancelling their local agencies. He also noticed that no American buyers showed up at a recent INFGP coffee auction. [] quoted Colonel Ruben Morales Dardon as stating: "If they cut off the gasoline, they will kill us".

11. Colonel DUARTE, who in his young days was an aide to one of Ubico's generals, General CORADO, after expressing his opposition to the issue of arms to campesinos in the very strongest terms, added as an afterthought: "If they give us the order, we shall have to obey". [] is certain that the President in an emergency will order the arming of the campesinos.

12. According to Colonel Hector Medina the arms are without exception of German manufacture. The canons, according to MEDINA, are hand-made (sic) and parts are not interchangeable. Thousands of mines came in. "What in God's name are we supposed to do with them"? (MEDINA).

13. [] considers the recent dropping of leaflets by an unidentified plane "an important factor in engendering the present climate of uncertainty". He laments that there has obviously been a cessation of these activities. He mentioned that American destroyers are supposed to be patrolling the Pacific and Atlantic coasts of Guatemala and ~~was~~ wanted to know why this fact is not being exploited propagandistically.

14. The break between SAMUC 2 and [] and between SMILAX and [] seems to be final. Colonel GORDILLA tried to enlist [] help to patch up matters between SAMUC 2 and []

15. Colonel Agustin ~~Aldana~~ Aldana is anxious to have a private talk with []

16. During this week the questioning of the President by Army officers will start. [] expressed that hopes "that something would happen" before the questioning starts. ESQUIRE held out no hopes.

17. [] completely agrees that it would be completely futile to talk to SAMUC 2 and SMILAX at this time.

18. [] asked whether FORTUNY had in fact left for Moscow. His car was frequently seen in front ARBENZ' house. FORTUNY is alleged to have gone to Moscow, Guerra Borges to Mexico, Virgilio Guerra to the USSR. Why this sudden exodus, [] would like to know?

19. Colonel SOTO complained to [] "Imagining ~~the~~ situation. My family and my friends keep asking me what are you fellows thinking about, what are you planning to do about the situation".
20. [] pointed out that "the complete lack of any activity is very bad for us". He wants us to keep up constant and growing activity, not rash but systematic. Even the mere threat of economic sanctions would be useful.
21. [] believes that Castillo Flores was summoned before the Defense Council and called on the carpet for his circular to peasant groups.
22. [] original statement about Army resistance to the arming of campesinos only holds good to the point where the issue of obedience to the orders of a superior officer becomes acute. There has been no change in the Army's basic attitude. However, the feeling is that the Army would obey an order from the President and hand out the arms. It would be next to impossible to use the campesinos as auxiliary troops, due to lack of discipline and of a command structure.
23. A mobilization of the campesinos would make the Army High Command and the officers' corps as a whole more susceptible to defection approaches.
24. There can be no such thing as a mobilization of the campesinos. They will be called out at the last moment and only under conditions of greatest emergency. It is of the utmost importance that our propaganda stress that this possibility exists and the seriousness of the consequences this would entail. [] considers Castillo Flores pamphlet an incitement to murder. He visualizes the following chain of events: They have a warning system set up. When the signal goes up, there will be mass and individual murder all over the countryside in a disorganized sort of way. If, on the other hand, there is going to be an organized deployment of campesinos in a more or less orderly fashion, the Army will have no trouble in polishing them off.
25. The Army can be depended upon to quell local wildcat uprising.
26. About the effectiveness of aircraft in the dispersal of campesinos, he is wondering. It may have a deterrent effect. But more important is the disruption of the railroad system. And by all means, civilians in communities such as Esquinela should be armed.
27. [] again stressed that the success of the operation depends upon getting the Army on our side. This, in his opinion, can be accomplished through interception of command, which at the crucial point will be exercised by [] through the medium of SAMUC 2. [] feels certain of SAMUC 2's compliance and ~~subservience~~ subservience, because of his reading of SAMUC 2's character.
28. The success of his plan hinges ~~exclusively~~ exclusively upon the removal of ARBENZ and Colonel DIAZ. By way of illustrating his concept, [] cited his experiences during the ARANA uprising. After ARANA had been assassinated the Army split up into a pro- and anti-ARANA faction, the former being quite powerful with many ranking officers as active sympathizers. However, at the crucial moment, the command was firmly in the hands of ARBENZ who wore two hats: Minister of Defense and Chief of the Armed Forces. Because orders went out from him, the habit of obedience prevailed and the uprising was quelled. [] point is that we shall have to create a constellation wresting effective power from ARBENZ and DIAZ, which automatically would move SAMUC 2 into a position of command power which it would be difficult to challenge.
29. [] for the first time since his talks with PAGE, brought up the question of CALLIGERIS. What is the situation going to be in regard to him? "~~I personally feel that it would be destructive to the concept of Army unit~~

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"I personally feel that it would be destructive to the concept of Army unity which underlies our planning, were he be allowed to come in here. Whether you wish to believe it or not, there are some very important officer in the higher ranks who are actively hostile to /CALLIGERIS/. Under these circumstances it is obvious that the injection of /CALLIGERIS/ would disrupt the kind of effort I have been outlining to you".

30. Casting his mind into the distant future, [] stated that Guatemala is in desperate need of constitutional reform. FRANGISE should be granted only to people who can read and write. All Guatemalan dictators, from Ubico to Arbenz, have maintained themselves in power through the votes of illiterates.

31. After the liberation a military triumvirate, composed of [] as Minister of Gobernacion, [] as Minister of Defense, and SAMUC 2 as Chief of the Armed Forces should hold power for a minimum of 6 months and a maximum of two years. SAMUC 2 would commend himself, being controllable and utilizeable. The triumvirate would have two chief advisors: Lic Juan Ibarra and Lic Rafael Gordillo Macias.

32. Besides questioning the role of /CALLIGERIS/, [] pointed out that the consejos request for specific plans could not easily be complied with long as long as he was completely in the dark regarding the role which will be assigned to civilian elements participating in the uprising.

FIELD COMMENT:

This report had to be rushed through in order to meet the pouch deadline. ESQUIRE's next meeting with [] will take place on 9 June. On 10 June ESQUIRE is scheduled to go to the United States. He expects to get back to Guatemala not later than 15 June.

Although ESQUIRE did not state this in so many words, he obviously has an inkling that I have been running the [] operation off the top of my head and that the "consejo's" instructions, observations and requests for additional information actually originated with me. He particularly questioned me whether Para 2 of the 4 June brief in fact reflected the consejo's views and I assured him that this was the case. Unfortunately I had committed the tactical error of reading to him extracts from a recent "letter of instruction" from Lincoln, from which—rightly or wrongly—he drew the unflattering conclusion that my superiors were obviously completely at sea. The inconsistency of our sponsoring on the one hand CALLIGERIS and on the other hand wooing the High Command via [] has not escaped him. I explained to him that the "consejo" is anxious to have a second string to its bow. Furthermore that hope has not been given up entirely that at some future juncture it may be possible to phase together both efforts. I assured him that the consejo was giving continuous thought to this problem. Finally I pointed out to him that [] was an invaluable source of intelligence. ESQUIRE in turn stated that he assumed that the "consejo" was fully aware of the fact that he and [] were in fact conspiring against the Government, in fact that they were now being asked to enter into an active conspiracy. He asked for some assurance from me that this was not just an academic pastime, but that the "consejo" was giving serious thought to the alternative posed by [] and his associates. I assured ESQUIRE that the main purpose of my trip to the United States was to learn what is on the consejo's mind. I did not try to delude ESQUIRE as to the extent of my ignorance of the current state of our affairs.