

CIA HISTORICAL REVIEW PROGRAM
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VIA AIR POUCH

2003

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CLASSIFICATION

DISPATCH NO. []

TO : LINCOLN

DATE: 4 JUNE 1954

FROM : []

INFO: CHIEF, WED

SUBJECT: General - Weekly Evaluated PI Estimate of Situation.
Specific - Period: 28 May thru 3 June 1954, incl.

REF: HULA-40.

I. MISSION:

Support capacity to PBSUCCESS Operations.

II. SITUATION:

A. Hostile:

1. [] reports the Union Sindical de Trabajadores Ferrocarrileros (UTF) is being encouraged and assisted by Salvadoran University students. These students, who recently sent a note to President ARBENZ commending Guatemalan activities in Central America, are attempting to swing the UTF to a similar stand.
2. [] stated the UTF is increasing its anti-management stand and expects serious difficulties. He predicts, however, it will take 30 to 45 days for this agitation to create sufficient momentum to bring on a general strike. [] asserts the Union is being encouraged by the WSBURNT Embassy and the Argentine Embassy. The Labor Attache of the latter Embassy has been forced to leave Salvador because of his activities among Salvadoran labor unions.
3. [] returned from Guatemala 28 May 54 with the following rumors:
 - a. A well-trained Russian arrived in Guatemala via KLM 27 May to arrange a coup d'etat/
 - b. On the night of 27 May ARBENZ called a meeting of military classmates with the purpose of turning the

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Government over to a triumvirate of: Rogelio CRUZ-WER, Charnaud MACDONALD and a Colonel PARNELLO, who is the current Army spokesman. After accepting the Governmental reins from ARBENZ, the triumvirate would be forced to relinquish its power to the Army classmates of ARBENZ.

- c. There is much speculation as to the fate of Carlos Enrique DIAZ, Chief of Guatemalan Armed Forces, who, while on a Military Mission, was discovered to be involved in a graft with the President of Guatemalan Congress.
4. ERRATIC told JUVIA II the Guatemalans unloaded 3 cars of the Russian arms at mile 16 while halted by the rail explosion. The arms were transferred to barges at nearby Motagua River and taken to an unknown destination in Honduras, supposedly for the Honduran Communists. ERRATIC asserted this information was confirmed by local WSHOOFS Ambassador.
- B. Friendly:
1. [] stated CALLIGERIS' prestige is increasing in WSBURNT. The clandestine radio Station and the leaflets by air were cited as evidences of his potentiality.
 2. [] reports that [] trucks without license plates were taking anti-Communist Guatemalans from the Guatemalan border to obtain arms for an invasion of Guatemala.
 3. [] also reports Guatemala is completing plans for a war which it expects will soon begin.
 4. Local papers continue to run anti-Guatemalan articles and news. The projected assassination of Castillo ARMAS was given prominent attention in all local papers.
 5. Local ODACID continues to discuss arms assistance with DTFROGS President. A list of arms desired by the latter has been submitted by PBPRIME Ambassador.
 6. The PBPRIME Ambassador stated the Panamanian President requested [] assistance in setting up a meeting of all Central American countries (excluding Guatemala) to discuss the Guatemalan situation. The Ambassador suggested that [] take no part in this proposed conference, which might enhance a projected Latin American Conference. Ambassador

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stated [] enjoys the position of neutrality and probably would not permit anyone to bring arms through Salvador.

7. [] and most [] are very worried about the Guatemalan arms and are making every effort to obtain help from PBPRIME.

Note: Attached herewith for Headquarters only are several articles which appeared in the local press during the past week. These are forwarded to give some indication of the local press attention given the PBSUCCESS project. Since LINCOLN receives all of the local papers, no clippings are forwarded.

III. ANALYSIS OF POSSIBLE LINES OF ACTION:

No change.

IV. COMPARISON OF OWN LINES OF ACTION:

No change.

V. DECISION:

Without [] jurisdiction and support capacity.

[]
PHILIP L. FURWELL

INCLOSURES:

Newspaper clippings.

3 June 1954

PLP/hdw

DISTRIBUTION:

2-LINCOLN w/o encls.

2-Washington w/encls as noted above.

2-File w/o encls.

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