

~~SECRET~~

ESWB NR 05 ROUTINE GR307 220304Z NO DTG....222325Z

SECRET TO WASHINGTON FROM []
TO ASHCRAFT FOR [] AND [] FROM [] BY RAY-
CITE NO-1866

1. One of our valuable sources on Guatemala, called today and is quite concerned at the way the revolt in Guatemala is going. Source is well known not only in Guatemala but in other Central American countries. He speaks Spanish fluently and is personally acquainted with many very important people in Guatemala and in the Guatemalan Government and was formerly purchasing agent for [] of Guatemala, and we ~~we~~ feel that his opinions are of importance. Source says that Castillo Armas was counting on a revolt in the army in Guatemala City, particularly of that faction which he calls the "Arana" Faction. He says that these army people are apparently now convinced that Castillo Armas cannot win and therefore they have failed to declare their allegiance to him. Source further ~~says~~ says that he is convinced that, if the people of Guatemala could be told in some way that the US was behind Armas and if shipments of arms in quantity were sent to Armas in Honduras, that he, source, believes the army and important people in Guatemala City would revolt. Source's opinion that something has gone wrong with the revolt and that it will probably fail is shared by [] of Latin American reports and Mr. Robert Smith, Vice President of the Standard Fruit and Steamship Company.

2. We realize that this is not positive foreign intelligence and we so advised source. He said that he was going to take it upon himself as a [] to call this to the attention of the State Department by telegram which he intends to send tonight. We have no way of prohibiting him from sending such a telegram but we thought it wise to let you know what he and other people in [] are thinking. We specifically cautioned source against any CIA reference in his telegram to the State Department.

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED**

NO TOT: 22/2332Z

ESWB TOT: 23/1300Z

2003