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Hand Carry

ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

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NO.

DATE

8 Sept 54

TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
1. <i>[]</i> <i>[]</i>				<i>[]</i>	<p><i>1. Copy detached for Col. King. No other distribution as not possible when all ODP intended to read attached number of conf.</i></p> <p>EYES ONLY</p> <p>CIA HISTORICAL REVIEW PROGRAM RELEASE AS SANITIZED</p> <p>2003</p>
2. <i>DD/P</i>					
3. <i>alt. Mem []</i>					
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1-2263

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8 September 1954

MEMORANDUM FOR: The Deputy Director of Central Intelligence

SUBJECT: Guatemala; conference with Messrs Leddy and Mann.

REFERENCE: Memo from DD/P to C/WH dtd 31 August, same subject.

1. Attached hereto is the original of Mr. Esterline's memorandum for the record based upon the same conversation which was reported in part in the reference memorandum, a copy of which was furnished to you for your information and comment. Mr. Esterline's memorandum is deemed to be worth your reading since it fills out certain details omitted in my earlier memorandum and since it makes even more clear than was done in my memorandum the recognition on the part of the responsible State Department officials just where "the ball rests" -- i. e. the State Department acknowledges its responsibility for policy determinations with regard to the situation in Guatemala. This, of course, does not cut down our determination to be of all possible assistance and support to the Department and to the Embassy, and this we will continue to do to the best of our ability. We have constituted the task force which you suggested for the purpose of following, on a continuous basis, all new developments in the situation.

2. Please let me know if you have any additional comments, ideas or recommendations as to what we should do and how we should be doing it.

JOB NO. _____ BOX NO. _____ FLD NO. _____ DOC. NO. 15 NO CHANGE
 IN CLASS/ DECLASS/ CLASS CHANGED TO: IS S (C) RET. JUST. 22
 NEXT REV DATE 89 REV DATE 30/79 REVIEWER [] PE DOC. 02
 NO. PGS 6 CREATION DATE _____ ORG COMP 40 OPI 40 ORG CLASS S
 REV CLASS C REV COORD. _____ AUTH: HR 76-3

FRANK G. WISNER
 Deputy Director (Plans)

cc: SA/DCI/P

DD/P-FGW/bjm
 Orig. to DDCI w/ Mr. Esterline's memo.
 1 cc - SA/DCI/P (Mr. Bissell)
 1 cc - C/WH
 1 cc - Mr. Esterline
 1 cc - ADD/BAE

1 cc - DD/P chrono
 1 cc - DD/P subject

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1 September 1954

MEMORANDUM FOR THE RECORD

SUBJECT : Conference with the Minister Counselor of Embassy, Guatemala

PERSONS ATTENDING: Department of State, Mr. Thomas MANN, Mr. Raymond LEDDY; CIA, Mr. Frank WISNER, Mr. Jacob ESTERLINE

1. Mr. Raymond G. LEDDY, the officer in charge of Central American Affairs for the Department of State, and Mr. Thomas MANN, the new Minister Counselor of Embassy, Guatemala, met with Mr. WISNER and the undersigned at 1630 hours, 30 August 1954, to discuss in detail the current political crisis in Guatemala. Mr. MANN was particularly anxious to get the full benefit of CIA's information and thinking on the problem and to compare ideas on "what's to be done about it".

2. Mr. WISNER set the stage for the conference by reviewing the situation briefly up to the time of what he refers to as the "change of gears" message in which he advised CIA components in Central America that the time had arrived for them to pull back from policy, or near policy matters, and permit the Department of State to take over the reins. Mr. WISNER stated to Mr. MANN precisely those steps he had taken to insure that Mr. HOLLAND, Mr. LEDDY, and others in the Department were definitely aware of the responsibility which had reverted to State by the "change of gears" message. Mr. LEDDY concurred with Mr. WISNER's statements. Mr. WISNER emphasized to Messieurs MANN and LEDDY that the Agency was not shirking from any responsibility, and that it was very much a part of the team, but that CIA could serve the team more efficiently, however, if it applied itself to those tasks for which it is most fitted. Mr. MANN expressed his delight for Mr. WISNER's clear and lucid statement of the Department-CIA relationship and said that, too, was perhaps his greatest interest at the moment. He stated categorically that he wanted to be sure, without a shadow of a doubt, "who is in the driver's seat" before he departs for Guatemala City, Friday, 3 September 1954. He further stated that he intends to have his instructions in that respect committed to writing before his leaving here. Mr. MANN said, as had Mr. WISNER earlier, that the Guatemalan proposition is very much a team operation, and that he wanted Mr. WISNER and all present to know that he was very

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much on the team; and, further, that he intended, during his time in Guatemala, to cooperate with us in every way possible, as he knew we would do with him. Mr. LEBBY pointed out that the Department was keenly aware of its new responsibility vis-a-vis Guatemala; and that, in fact, they had welcomed our propitious withdrawal from policy matters, giving them the opportunity to step back into their normal role.

3. Mr. MANN continued by saying he was considerably alarmed over recent developments on the political scene as reflected in State and Agency cable traffic. He indicated that although he did not consider himself, by any means, fully briefed on the current situation, he did feel very strongly that the key to the entire situation is, and will continue to be, the Guatemalan Army, which he defines, and most properly so, as an "institution". He stated that he felt the immediate job was to forestall any untoward action on the part of CORDOVA Cerna or CASTILLO Armas that might precipitate action by the Army, which, in turn, could "wipe out" all advantages gained to date by the anti-Communists. Considerable discussion developed around this statement and resulted in the following points of general agreement:

- a. It would be wise in the immediate future to attempt to win the confidence of the Regular Army by making it realize that it is not going to be destroyed as an "institution" if there is cooperation with the ARMAS' administration. To accomplish this, it will be necessary to demonstrate to the Officer Corps by positive acts that they will not be deprived of the "bride of their "Cadillacs and other pleasures" which were enjoyed under the old administration. Mass purges of key officers should be avoided. A good example of this is the gentle phasing out of Colonel MONZON rather than an abrupt dismissal. It was suggested that he be gradually withdrawn from the public eye and perhaps assigned to an acceptable ambassadorial position considerable removed from the Central American scene.
- b. The Liberation Army of CASTILLO Armas should be maintained intact as a well-fed and equipped integrated unit for the next sixty days or until the present crisis has subsided. Maintenance of this organization in good order should serve as a counter balance to the Regular Army and prevent any abortive efforts on its part to remove CASTILLO Armas.
- c. The United States Government should continue during this difficult period to support CASTILLO Armas despite his limitations, since we have no firm evidence to the effect

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that CORDOVA Cerna enjoys sufficient popular support to take over successfully as the "Head of State". To accomplish this, the Department should take new and extremely vigorous action with both CORDOVA Cerna and CASTILLO Armas to make them realize that the very survival of the anti-Communist regime is dependent upon their complete cooperation with each other. This task will, in all probability, fall to Ambassador PEURIFOY, who, Mr. LEDDY advised, has been extended in his post as Ambassador until 15 October 1954. The Ambassador's objectives in this respect will be to get CASTILLO Armas to divorce himself from such political "bad actors" as Jose GARCIA Granados, a border line Communist, and take firm and prompt action in implementing those promises he made on his accession to power. CORDOVA Cerna, on the other hand, will have to be made realize that conspiratorial activity on his part against CASTILLO Armas is not only counter-productive, but could well result in the loss of all that they have fought for so long and so hard.

4. Mr. MANN and Mr. LEDDY opened the discussion of the "asylee" problem. They stated that they were acutely aware of the fact that something must be done, and soon, to remove ex-President Jacobo ARBENZ and his Communist friends from the various embassies in Guatemala City in which they have taken refuge. Mr. LEDDY stated that, as of the moment, progress on obtaining that objective had completely "bogged down". He mentioned that Mr. HOLLAND, the Assistant Secretary of State for Latin American Affairs, might possibly see the President of Mexico in the next ten days and attempt to "break the log jam". He did state, however, that he and others were not precisely sure what disposition should be made of these people when they are removed. The various possibilities and combinations of possibilities were discussed at length by all present. Several possible solutions which were discussed are listed below in their approximate order of preference:

- a. Have ARBENZ and certain of his more unpalatable cohorts, such as CRUZ Wer and Jaime ROSENBERG, released to the Guatemalan Government and tried as war criminals. It was generally concurred in, however, that the possibility of achieving this is rather remote.
- b. Offer safe conduct to ARBENZ and his principal Communist followers to Soviet Russia. Successful accomplishment of this operation would have a great deal of propaganda value. It is not likely, however, that the Soviets would "bail out" their unsuccessful friends.

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- c. Offer safe conduct to those in asylum to some spot within the Iron Curtain. The chances of accomplishing this are probably better than sub-paragraphs a and b, above.
- d. Grant safe conduct to the asylees to some country removed at some distance from Central America.
- e. Grant safe conduct to Mexico. This, of course, is by far the least desirable solution because it allows the ARBENZ crowd to live in comparatively safe "proximity to Guatemala" and to conspire against the present government.

Mr. LEDDY and Mr. MANN indicated that they would again raise the question of getting positive action on the above problem in the near future. The solution of that problem may well be the key to peace in Guatemala.

5. During the course of the meeting, Mr. MANN advised Mr. WISNER that he was departing for Guatemala on Friday, 3 September 1954, and that he sincerely hoped that Mr. ESTERLINE would be following not far behind him. To that end, both Mr. MANN and Mr. LEDDY said they would be quite willing to take any action in State within their power to speed his processing and departure for Guatemala. They were informed that [] would be completed in the Agency during the next day and would be forwarded through channels to the Department, at which time, any pressure that could be brought to bear would be greatly appreciated.

6. The meeting terminated at approximately 6:15 P.M., and Mr. LEDDY and Mr. MANN assured Mr. WISNER that they would arrange to meet with Mr. HOLLAND at the earliest opportunity to discuss with him those policy matters which had been covered at the meeting. In addition, they would, with the Secretary, prepare instructions to be forwarded to the Embassy for the guidance of the Embassy and our Agency representative, where applicable.

JACOB D. ESTERLINE

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