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Mandatory Review

Case # NLJ 98-525

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SPECIAL MEMORANDUM NO. 3-66

SUBJECT: Guatemala's Dilemma

1. Guatemala is heading into another political crisis. The ingredients are all too familiar in Latin America: a small conservative oligarchy exercising economic and military power confronts a reformist political opposition enjoying wide but ill-organized support from an impoverished electorate. In the present instance the precipitating factor is Chief of State Enrique Peralta's decision to hold elections on 6 March. We believe that a military coup, either before or shortly after the elections, is likely.

2. Peralta came to power in 1963 by a military coup, carried out to forestall a presidential election which the left would probably have won. Peralta thus enjoyed the support of the "upper sector" (the well-to-do and those aspiring to that status). But he has never acquired much popular following, in part because

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of his personality -- he is the antithesis of a charismatic Latin leader -- and in part because of his record in office, marked by repressive political measures and a failure to move forward on the country's problems. Recently his inability to control terrorism, which now takes the form of kidnapping wealthy citizens, has weakened Peralta's position with the "upper sector" as well.

The Contending Forces

3. The right is presently represented by two presidential candidates. One is Juan de Dios Aguilar, who enjoys the official blessing of Peralta but has little personal following. The other is a former Armed Forces Chief of Staff, Miguel Angel Ponciano, a stronger figure who has the support of the ultra-conservative Movement of National Liberation and some military figures. Both want to prevent a leftist victory, but Ponciano faces the additional problem that Peralta may rig the election to insure the victory of his favorite, Aguilar.

4. The left also is badly divided, but so far Peralta has permitted only one leftist candidate to enter the race. He is Julio Cesar Mendez Montenegro, leader of the moderate Revolutionary

Party. The "upper sector" regards Mendez as a Communist, as it does any reformist. Actually, there have never been many Communists in Guatemala; the present estimate is about 1,000, of whom only about 400 are active. Mendez, a distinguished professor of law, does not have a pro-Communist record, but his party, seeking the united support of the entire left, has in recent months been moving toward closer cooperation with leftist extremists. Remembrance of the growth of Communist influence under Presidents Arevalo and Arbenz (1945-1954) justifies some misgivings as to whether Mendez as President could contain the Communists. In a free and fair election, Mendez would probably win, but the outcome of Guatemalan elections is usually determined by official control of the returns outside of the capital city.

Future Developments

5. There is a good chance that the prospect of a Mendez victory will prevent the elections from taking place at all. Peralta, anxious though he is to quit, may reverse himself and call them off. If he does not, Ponciano may succeed in his current efforts to recruit military backing for a coup. Others on the conservative side are playing the same game.

6. Should the elections occur, and in the unlikely event that Mendez were permitted to win, the odds are that he would not be allowed to take office. It is possible, but unlikely, that the "upper sector" would acquiesce in his assumption of office, counting on its influence in the National Assembly, the Armed Forces, and economic circles to hamstring his reform program. This would be a highly unstable situation and probably would not last long.

7. All these possibilities are variations upon a single theme. The political center has little strength in Guatemalan politics. At least for the immediate future, the right has the power -- basically military -- to impose its will on a numerically much larger left. The process of accomplishing this may be more or less orderly, more or less outrageous, but it is likely to drive the moderate left further toward extremism and to enhance the prospects for extreme leftists taking over its leadership. At the same time this process is producing an increase in anti-US sentiment on the right as well as on the left. The left continues to identify the US with the "upper sector," while many of those on the right are beginning to feel that the US is becoming equivocal in backing their interests.

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