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EMBASSY OF THE UNITED STATES OF AMERICA  
Guatemala, Guatemala

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August 13, 1969

*Guy Burgess -  
I am passing this  
to you for study  
before I read it.*

OFFICIAL - INFORMAL

John R. Breen, Esquire  
Country Director  
Central America  
Department of State  
Washington, D. C.

Dear Dick:

Your letter of July 11 gave us a useful opportunity to do some recapping of our own and GOG efforts to speed up progress toward institutional stability and socio-economic development.

I enclose our status report on Implementation of the Action Plan. I believe we're doing fairly well on most of the elements of the package, although I am not altogether satisfied with progress on establishment of the Tactical Operations Center (TOC). As you can see, we've encountered some sensitivity, but we will keep trying.

We are working on the "Achievements" memo, and should be able to pouch it to you next week.

All the best,

**DENY**  
5USC 552 BT  
Date 8/17/69  
STATE

*Nathaniel Davis*  
Nathaniel Davis  
Ambassador

Enclosure:  
As stated

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MEMORANDUM

This document consists  
of 8 pages.  
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SUBJECT: Implementation of IRG/COIN  
Working Group Action Plan for Guatemala

(Approved March 13, 1969)

A. SHORT AND MEDIUM-TERM ASSISTANCE MEASURES

1. Establishment of a Tactical Operations Center (TOC)

A CT study group met to develop a plan for achievement of this objective. Discussion brought out the fact that the physical plant for the TOC had already been established at the National Palace under guidance of the Guatemalan Army G-3. \$17,000 was spent to improve the physical facility, but certain communications facilities were still lacking.

As presently constituted, the TOC is entirely a Ministry of Defense operation; more specifically it is operated by G-3, without, as yet, the inclusion of either G-2 or National Police representatives. The Study Group considered a variety of ways and means to insure that the TOC actually include all intelligence and security organs. It was the conclusion of the Group that there are many obstacles to such integration, stemming from suspicions and tensions existing between civilians and the military.

To avoid complications arising from inter- and intra-service rivalries, the Group felt the TOC initially should function primarily as the nerve center for receipt and collation of intelligence on guerrilla activities in rural areas with a concomitant rapid reaction capability to act on that intelligence, if necessary, through the issuance of immediate orders to military units in the area. The Group felt further that successful operation within these parameters would bring home the necessity for wider intelligence input and thus make easier the task of bringing in the other elements of the intelligence/security community. Perhaps the strongest argument in favor of this line of action is that if a State of Siege were to be declared, responsibility for all security operations would devolve on the Minister of Defense (MOD) and all civilian police agencies become subject to his orders. In effect, if we could assist the TOC to get into effective operation prior to such an emergency, the state of emergency itself would contribute to the accomplishment of the Action Plan objective, i.e., inclusion of all intelligence/security services in the TOC.

The consensus of the Study Group was that, beyond the present physical plan, two vital ingredients for effective operation of the TOC are lacking: intelligence input and communications equipment. Regarding the

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former, the Group concluded that since (initially at least) the TOC will be concerned with intelligence on guerrilla activities in rural areas, the G-2 must be an integral part of the TOC and the principal contributor of intelligence. It should be the responsibility of the G-2 to organize a rural intelligence net to provide raw intelligence on guerrilla activities. This is covered under Action Plan Recommendation A2, progress on which is discussed below. In addition, representatives of the Regional Telecommunications Center (CTR) should work closely with the TOC. However, the CTR should continue to be the main repository for intelligence on subversives and their activities.

With regard to the second vital, but still missing ingredient, the consensus of the Study Group was that the USG should be prepared to offer assistance to the GOG in obtaining the necessary communications equipment. As a prerequisite to an offer of assistance, it was determined that the Commander, MILGP, would propose to the MOD and Chief of Staff that a 3-man Military Team from CINCSO make a survey of the national requirements for establishing a TOC.

It required several approaches by the Commander, MILGP, to the Chief of Staff and the MOD, and a slight scare from the neighboring Honduras-Salvador conflict to break through the apparent hesitation and sensitivity of the high-level Guatemalan officials to the offered assistance. On July 8 the Chief of Staff informed the Commander, MILGP, that the MOD had obtained Presidential approval for seeking such assistance from the USG. He added this would be formalized by a letter requesting specifically a survey of communications requirements. Meanwhile, it was agreed orally that MILGP personnel would be available to conduct, in conjunction with the G-3, a preliminary survey. We are still awaiting the formal request.

## 2. Improvement of Military Intelligence Services

A plan has been submitted to the MOD for the establishment of a trial six-man Counter Intelligence Detachment in each of the eight military zones and bases outside Guatemala City. It has been approved by the General Staff and the Chief of Staff of the Army. MAP funds have been allocated to provide some counter-intelligence equipment. All of the MAP vehicles and some other equipment is already in country. The delay, according to the host country, is based on locating a source of manning personnel. However, the impetus required by the Army G-2 and the MOD is yet to be forthcoming. On August 4 the Commander, MILGP, again discussed this matter with the MOD, suggesting the importance of early approval of the plan, repeating USG willingness to train the detachments and recommending the Policia Militar Ambulante as a readily available source of personnel to man the detachment. The MOD noncommittally agreed to look into the matter.

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During the past year, the U.S. Intelligence Advisor taught Combat Intelligence at the Basic and Advanced Courses of the Escuela de Aplicación (Combined Arms School). The latest training materials and publications from the U.S. Army School of the Americas were utilized in addition to intelligence training films from the USARSO Film Library. The training was well received and it is expected that some of the graduates will be assigned to intelligence or intelligence related activities.

The Guatemalan Army is planning a course for Intelligence Officers to be presented at the Combined Arms School sometime in September 1969.

3. Improvement of Police Capabilities

"a. Improve administration and management of the police forces, particularly training, coordination among the separate forces, selection of police personnel, patrolling procedures, record keeping investigative techniques, communication networks and vehicle maintenance;

"b. Improve rural police capabilities and the control of contraband and illegal travel;

"c. Expand cooperation with other governments in security matters;

"d. Improve relations between the police and the public. Funding for the U.S. contribution to this effort would be provided under the AID technical assistance grant program."

The FY-69 Pro-Ag concerning our Public Safety Program deals with points 3a and 3b.

The Katz Report prepared on police communications networks was discussed with the former Minister of Government and the Police Chiefs and a broad measure of agreement was reached which we are now trying to implement. (See MemCon, Tab A). Part of these recommendations have been handled, at least on paper, in the FY-69 ProAg. Other of these recommendations depend upon the resolution of the problems surrounding the Police Academy and the automotive and communications maintenance facilities.

Progress on training requires a reply from Washington either to our IRR of 3/5/69 or to our cabled recommendations contained in GUATEMALA 2257 of June 1, 1969.

Concerning selection of police personnel, Colonel Chinchilla, the new Director of the National Police, has tightened up considerably and is

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requiring higher standards for recruits and has also discovered and corrected previous abuses where a considerable number of so-called "phantom police" were shown on the payrolls but did not exist as members of the force.

With respect to patrol procedures, we are still short of the goal of full coverage of Guatemala City but on June 23 the Pilot Model Precinct Plan was put into partial operation throughout the new 3rd Cuerpo of National Police. This plan is now covering Zones 1-3-4-5 and 10-15-16 of the 19 zones in the city.

With respect to record keeping and investigation techniques, the Henry Fingerprint system has been adopted and is in use. The new photographic identification system is also now in operation.

With respect to vehicle maintenance, we have a maintenance advisor on board who is working on plans for the major maintenance facilities to be built in conjunction with the Police Academy, working to establish first echelon maintenance facilities in Escuintla, and trying to help with the present mess in the existing facilities. We are withholding procurement of additional vehicles until the GOG acts on the obligations it undertook in connection with the FY 69 ProAg.

Concerning the improvement of rural police capabilities, several preparatory steps have been taken to clear the way to proceed with the Escuintla Project. We have carried out a number of on-the-ground surveys, and a joint GOG-USG evaluation of the present police and security situation is expected to be completed during August 1969. The purpose of this is to provide baseline data against which the success of the program can be measured in the future and lessons learned which may be applicable for the extension of this program to other parts of Guatemala. The National Police have acquired land for the requisite motorpool facilities in Escuintla but have not begun construction.

Concerning control of contraband and illegal travel little has been accomplished, despite periodic visits of a Public Safety Advisor from Washington.

With respect to the possibility of expanding cooperation with other governments on security matters, efforts to arrange regular meetings of the concerned police chiefs have borne little fruit (one meeting). The present situation between Salvador and Honduras precludes further efforts from the civilian side at this time. The Central American telecommunications network continues to function.

With respect to improving relations between the police and the public, USAID's support for the school patrol system has paid notable dividends

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at a very small cost to ourselves. In addition, the Central Complaint Section which has improved the reaction time of the police to crime reports may have improved public relations. Also Colonel Chinchilla's publicized efforts to eliminate corruption and extortion, including the arrest of a senior commander, may have increased somewhat public trust of the police.

4. Reform of the Judicial Process

USAID financed in anticipation of Action Plan decisions a provisional study of the problem (See Tab B). The plan of action outlined by Mr. Kozolchyk, in our judgment, is too complicated and too unlikely of success to try to implement at this time. As a by-product of his and our discussions, the San Carlos Law Faculty in cooperation with the police instituted a series of seminars designed to better acquaint the police with the legal requirements for the preparation of evidence and similar subjects. In addition, independent of our actions we have some reason to believe that the Government of Guatemala and the judicial system have themselves begun to handle terrorist cases more firmly.

5. Additional Military Airlift Capacity

The two additional UH-1H helicopters recommended in the FY 69 MAP program were approved. Delivery is not anticipated, however, before the end of calendar year 1970. In June 1969 the GOG agreed to purchase one UH-1H under the Military Sales Program with payment over an eight year period. Since the sales contract was signed in FY 69, delivery is expected to be effected in March-April 1971.

Airlift capability was further increased on 22 June 1969 by the delivery of 2 additional C-47 aircraft (total now on hand - 9) which had been scheduled one each under the FY 69 and FY 70 MAP programs. Moreover, the aircraft were secured through excesses and not charged to MAP. These deliveries were approximately 1 and 2 years respectively ahead of what had been expected.

B. LONG TERM MEASURES

1. Agricultural Development

The basic analytical study of "Agricultural Development and Policy in Guatemala" prepared in April 1969 by the Iowa State team has provided a base for intensive continuing discussions with the Government. The President of Guatemala appointed the Vice Minister of Agriculture Héctor Cabarrus Conde to take charge of this. He has put together on the Guatemalan side a working group that includes representatives of the following agencies: Ministry of Agriculture, Ministry of Finance, Ministry of Economy, Ministry of

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Public Works, the National Planning Council, the Bank of Guatemala, Institute of Agrarian Transformation (INTA), the Organization for Community Development, and the Social Welfare Organization. This is supplemented on an as-needed basis by representatives of the National Agrarian Bank, National Institute for Production Development (INFOP), and Interamerican Cooperative Supervised Credit Agency (SCICAS). At our urging an IDB representative is participating in this group, and we have prepared the way for possible participation in the future of an FAO representative and of spokesmen for the private sector.

The joint GOG/USAID Rural Development working group is currently meeting twice weekly. It is too early to know what the results will be, but all of the Action Plan recommendations B1 through B6 have already been touched upon and in some cases explored in considerable depth. The problem is complicated and the bureaucratic rivalries within the Guatemalan Government suggest that at best progress will be made slowly. It remains our intention, however, to present, if at all possible, a loan paper to Washington by the end of 1969.

Against this general background a few specific comments on some points may be useful.

The Minister of Agriculture is resisting the idea of long-run investment in agricultural education and research. He has strongly stated his preference for an "impact program". We do not accept this as the last word.

To provide competent help for an intensive Guatemalan corn program, including research, we have proposed to the International Center for Improvement of Corn and Wheat (CIMMYT) in Mexico the possibility of a tripartite GOG-CIMMYT-USAID attack.

With respect to agricultural cooperatives, in FY 70 we propose to increase technical assistance funding for cooperatives in general from an annual rate of \$60,000 to an annual rate of over \$247,000. We have established a new position for a Cooperative Advisor and hope to have the services of Mr. Chaij in October.

With respect to price stabilization, we believe that a great deal can be done through construction of adequate grain storage facilities and general improvements in marketing. To this end we have arranged to contract technical assistance from Kansas State University and are recruiting as a consultant to the GOG a young American economist who has recently devoted six months to writing his PHD in agricultural marketing economics on corn marketing problems in Guatemala.

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With respect to the construction of feeder roads and irrigation facilities, we have been investigating the present status of IDB loans for these activities and the reasons for the slow drawdowns on existing funds. We have indicated a willingness to explore in detail what more can sensibly be done. We have also brought in a team of IAGS engineers from Panama to do a pre-feasibility study of irrigation and drainage facilities on the South Coast, specifically in the land reform parcelamientos of Montúfar and Nueva Concepción.

With respect to possible expansion of rural credit, even though the new IDB loan to SCICAS remains unutilized, we have indicated a clear interest and have begun detailed discussions with the Government agricultural credit institutions which we may extend to the private banking sector. We have made it clear that we have serious doubts about the institutional capacities of the existing agencies and have strongly suggested major reforms including reduction of overlapping administrative staff in the capital as well as recruiting of additional and more competent field staff.

With respect to policy measures to limit coffee production and promote agricultural diversity, we have repeatedly made our views known at Cabinet level concerning the importance of maintaining credit restraint and export taxes on coffee. In addition, we have coordinated with the FAO-IBRD team which has prepared projects which the IBRD is potentially prepared to finance for coffee diversification. This project, which would include drawdowns from the ICO Diversification Fund, contemplates investments in the neighborhood of \$7 million for coffee diversification projects.

## 2. Land Reform

With respect to land reform, we are conducting discussions with INTA both inside and outside the rural development group. The original paper submitted to the joint working group by the Ministry of Agriculture did not mention land reform but that omission has been corrected and a consensus reached that the rural development working group must explore this question in depth. Concerning colonization projects, we have examined an INTA proposal and found it to be totally unacceptable.

## 3. Planning

We have been encouraged by the replacement of the former ineffective Secretary General of the National Economic Planning Council with a well-qualified Guatemalan economist, Lic. Gert Rosenthal. He is in the process of reorganizing the office, and we have committed ourselves to provide financial support. He will personally be participating in future discussions of the joint rural development working group. We have been and will continue to coordinate closely with him outside of that group. It should be noted,

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however, that there is deep antipathy between the Minister of Agriculture and Lic. Rosenthal and that this is exacerbated by intense feelings of bureaucratic rivalry between the Ministry's planning staff and the staff of the National Economic Planning Council.

#### 4. Local Government

We have developed with the National Institute for Municipal Development (INFOM) and the GOG a loan to provide for creation of a rotating capital development fund for lending to small municipalities in Guatemala. In this connection we have received from INFOM a commitment concerning increased technical assistance to these municipalities and from the Minister of Finance a commitment concerning a GOG matching financial contribution to the loan. The loan has been authorized and we will shortly begin negotiation of the formal loan agreement.

#### 5. Population Policy

The FY 69 ProAg takes us a long way toward the objective, always assuming - which may be unduly optimistic - that a program as ambitious as this one can be fully implemented on time. The Minister of Public Health in a press release for the first time made clear publicly that it is the policy of the GOG to provide family planning services to its citizens.

#### 6. Extension of the Plan Piloto Concept

Our initial efforts to explore this concept have met in some quarters, e.g. the Ministry of Agriculture, with categoric negativism. In other quarters it has been pointed out to us that the Altiplano Program of the United Nations Development Fund essentially extends the concept to an additional part of the country. We will continue to seek an opportunity to develop the concept for application to additional departments in the "Crescent of Discontent". It should be noted, however, that even in Zacapa and Izabal, the Plan Piloto no longer enjoys its initial impetus or high level attention. There is no question but that a coordinated inter-agency attack on social and economic development problems in specified areas is a valuable one. There is also no question but that the idea of coordination, to say nothing of implementing coordinated programs, encounters formidable obstacles in Guatemala. Some small satisfaction can be derived, however, from the fact that after months of maneuvering the joint GOG-USAID working group on rural development was established, the composition of which has been outlined above. This group at least offers a mechanism which may lead to an effective inter-agency program.

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July 11, 1969

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Honorable Nathaniel Davis  
American Ambassador  
American Embassy  
Guatemala

Dear Nat:

FY '69 is over and before the current fiscal year is out the Partido Revolucionario will have to go to the country and ask the voters to elect on the basis of its record in office a man whose name does not even strike a familiar chord in their memories, much less quicken their pulses. We are beginning to wonder exactly how much progress that record will show. I would, therefore, very much appreciate having the Country Team prepare two progress reports for us here in Washington covering the following:

Achievements of the Mendez Government - When you were here in April we hastily put together in preparation for your appearance before the IG/ARA a summary of the Mendez Government's achievements. I recall that you were able to enlarge upon this memo even then, and hopefully, additional progress can now be recorded. I think an updating of this memo which Guy Wiggins forwarded to Max Krebs on April 11, together with a forecast of what the Mendez Government can reasonably be expected to achieve within the next nine months will serve our purposes well.

Implementation of the Guatemalan Action Plan - Although the Action Plan took an unconscionable amount of time to clear through the inter-agency system and final approval was obtained only on March 13, 1969, I know

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By AWT NARA, Date 12/18/15

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some progress has already been achieved, even if primarily in the way of clearing the decks for action. I have been informed, for example, that De Leon was finally persuaded to step down and that Gert Rosenthal now heads the Planning Commission. Would you please give us a status report on each phase of the Action Plan, Short, Medium and Long-Term. Where action has been held up, would you please add the Country Team's evaluation of what is causing the hold-up and what, if anything, the United States Government can do about it.

Such a status report should be helpful to us both in focussing our thinking on specific obstacles to the implementation of the Action Plan.

Sincerely yours,

John R. Breen

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ARA/CEN/G:GAWiggins:tp

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