

## CHAPTER FIVE COUPS

As 1953 opened there was a new President, a new secretary of State, and a new director of the CIA. The working relationship between the three was to be extraordinarily close and effective. The shrewd, cautious Eisenhower, with his glittering war record, was the first Republican president since Herbert Hoover. He took a traditional Republican line on domestic issues, but on foreign policy he differed noticeably from the Congressional Republicans. Many of them still nourished a strong distrust of Britain and their isolationism, as so often in the past, took the form of a desire to act alone in the Far East and to ignore Europe. Eisenhower, with his wartime and NATO experience, knew that Europe could not be ignored. He also thought that the popular cries about rolling back communism should remain just hot air. Refusing to enter into an all-out arms race with the Soviets, he preferred to concentrate on deterrence, placing particular emphasis on elite high-tech forces such as Strategic Air Command.

As his secretary of State, Eisenhower appointed John Foster Dulles; as his director of Central Intelligence he appointed Foster's brother Allen. The Dulles brothers came from a family with a long and distinguished background in diplomacy and the law. Their maternal grandfather, John Foster, had been secretary of State under Benjamin Harrison. Their uncle, Robert Lansing, had been Woodrow Wilson's secretary of State. John Foster Dulles had been a member of the U.S. team at the Versailles peace conference where he was a chief negotiator on war reparations. His New York law firm, Sullivan & Cromwell (where Allen also worked) was deeply involved in arranging American loans to Europe and he kept in close contact with European politics during the interwar period. Eisenhower and Dulles thus had impeccable foreign policy credentials and they taught something new to the Republicans: that an activist, liberal foreign policy could go hand in hand with conservatism at home.<sup>1</sup>

Next to his outwardly conservative and sombre brother, Allen Dulles had a more adventurous and romantic aspect. He graduated from Princeton in 1914, and then taught English for a year in India, developing a dislike of the British empire in the process. In 1916 he entered the State Department and was posted to Vienna. The following year he was sent to Bern. He liked to tell the story of his time in Switzerland that a Mr Lenin sent a message saying that he would like to meet him urgently. Dulles had an engagement to play tennis with friends, and so ignored the message. Only later did he realise that Lenin would probably have told him that he was returning to Russia. Who knows, Dulles later mused, if the course of history would have been different if he had met Lenin. In 1919 he joined his brother as a member of the U.S. delegation to the Paris peace conference. Then he served in Berlin and Constantinople, before returning to Washington as head of State's Near East division. In 1926 he left the foreign service and joined Sullivan & Cromwell. He kept a connection with the State Department, however, and served as legal adviser to the U.S. delegations at the League of Nations' Geneva conferences of 1927 and 1932. In 1942 William Donovan recruited him for the OSS, and from October 1942 until November 1945 he was head of clandestine operations in Europe, and of the OSS mission in

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<sup>1</sup> John Taft, *American Power: The Rise and Decline of US Globalism*, (New York, Harper & Row, 1989), pp 152-57.

Germany. In April 1945 he negotiated the surrender of German forces in northern Italy. He was the American closest to being a professional intelligence officer. He was friendly, warm and outgoing in personality and under his directorship the agency had a high profile which he relished. He gave an interview to Time which put him on the cover, and he insisted that DDI officers should have the opportunity to publish. Good lawyers know that you gain by disclosing as much as possible: Dulles was a DCI unimpressed by the cult of secrecy. He was also responsible for the construction of the new CIA headquarters at Langley in Virginia, a building which was even signposted on the George Washington Parkway.

Allen Dulles also had a well-earned reputation for being loyal to subordinates: he had protected CIA officers against McCarthy's witchhunt, and he was insistent that the agency's academic analysts should be able to publish their work in declassified form so that they could gain the respect of their peers. If they were not able to do this, he argued, the CIA would not be able to attract and retain high-quality staff. One of his greatest contributions to the agency was the high morale he created.

The role of the director of Central Intelligence was established during the Eisenhower presidency. He was the President's man in the intelligence community, and unquestionably the President's foremost adviser on intelligence matters. As head of the CIA, he was also in charge of the most active and apparently effective arm of U.S. foreign policy. The range of the agency's activities - collection, analysis, espionage and operations - challenged the power and authority of State and Defence. This was much less of a problem for Allen Dulles as long as his brother was secretary of State, but it was to bedevil his successors. If a DCI ever came into serious conflict with a secretary of State or the secretary for Defence, he knew he could not win without the President's support. The secretaries had the power, the budget and the pull in Congress. As R. Jack Smith, CIA deputy director of intelligence put it succinctly:

"Congressmen are naturally interested all the time for things in their local constituencies which the military can grant, for favours which State can grant. So if it comes to that kind of contest, the director can never win".<sup>2</sup>

Eisenhower always gave Allen Dulles his full support, and rejected pleas from the military and some Congressmen who were worried by CIA operations to get rid of him. "I'm not going to be able to change Allen", Eisenhower admitted. "I have two alternatives, either to get rid of him and appoint someone who will assert more authority or keep him with his limitations. I'd rather have Allen as my chief intelligence officer with his limitations than anyone else I know".<sup>3</sup> In 1954 when Lieutenant General Doolittle spoke with Eisenhower about his report on the CIA, he was very critical of Dulles. Doolittle argued that while Dulles had a unique knowledge of and commitment to his subject, he was a bad organiser and had poor quality subordinates. He also thought it was unfortunate that his brother should be secretary of state. Eisenhower thought it was "beneficial". Doolittle said Dulles was "too emotional for the job". Eisenhower said he had never seen the "slightest disturbance" in him, pointing out that "here is one of the most peculiar types of operation any government can have and it probably takes a

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2 Interview, R. Jack Smith, 15 July, 1983.

3 Final Report, IV, p 62

strange kind of genius to run it".<sup>4</sup>

Eisenhower's support explains why Dulles was not much bothered about territorial rivalries. He preferred to work alone, depending on his close personal contacts within the governing elite. His brother, after all, was secretary of State and he had Eisenhower's complete confidence. A simple telephone call or meeting at home could sort out problems. For example, Tom Braden was having problems with the French desk at the State Department. He went to see his chief to complain:

"I said, 'Allen, French in the State Department doesn't want to do this', and Allen said 'What?!' then picked up the phone: 'Foster, one of your people seems to be a little less than cooperative.' That's power."<sup>5</sup>

With this kind of support Dulles was able to concentrate on covert operations - the part of his job which he enjoyed most and which attracted most praise from Eisenhower and from Foster. After his experiences in World War I and World War II, clandestine activities in all their forms were meat and drink to Dulles. Espionage was the part of the very fabric of his life and under Eisenhower's presidency he was given the opportunity to exploit it to the full.

Because of Dulles' personal preference for the cloak-and-dagger side of intelligence, Frank Wisner, the first head of OPC and then CIA deputy director of plans (DDP), had easy and frequent access to him. Wisner and Dulles had known each other in the OSS and there was nothing better both men enjoyed than concocting various plans and schemes together. Between 1953 and 1961 the clandestine side (plans) of the agency enjoyed an average of 54 per cent of the agency's budget: the number of personnel increased considerably both in the directorate of plans and in the departments which provided logistical support. Dulles and Wisner had a rather haphazard management style and were not interested in the day-to-day routine of administration. Informality and improvisation, those great watchwords of the OSS, remained the DDP's watchwords in the 1950's.

The elite in plans were often swashbucklers and buccaneers, with the connivance of Allen Dulles drawing up projects without consulting other sections of the agency. This caused friction. Richard Bissell, who succeeded Wisner as director of plans in 1958, recalled:

"After I became DDP I began to see Allen's managerial practices from a slightly different standpoint. He would quite often call someone who was two or three echelons down from them. He would call them about a cable that had come in, and he would sometimes tell them how to answer it. I finally blew up at Allen ... [his] instant reaction on the phone was quite violent. He said 'I'm going to speak to anybody I want to in this agency about anything I want to speak to them about ... If your people haven't been telling you about their conversations with me, that's because you're not enforcing the rules!' He was right. I came to live with it, and I realised it was part of his way, and it was a perfectly good way to run the place."<sup>6</sup>

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4 Stephen Ambrose, *Eisenhower the President*, (New York, Simon & Schuster, 1984), pp 226-7.

5 Tom Braden, *World in Action: The Rise and Fall of the CIA*, Granada Television, June, 1975

6 Interview, 18 July, 1983

## COVERT OPERATIONS

When the CIA was set up in 1947 it was not expected that it would be responsible for covert actions. That situation changed within a year and the agency entered the operational field. OPC and OSO, which were later merged in 1952 under the directorate of plans, were soon engaged in covert action in Europe. Because covert action came about as an immediate response to an emergency, little thought was given at the time to the potential hazards to which it might lead. In January, 1949 the NSC directive which set up OPC stated that its operations must be: "so planned and conducted that any U.S. government responsibility for them is not evident to unauthorised persons and that if uncovered the U.S. government can plausibly disclaim any responsibility for them".<sup>7</sup>

The message was clear: don't get caught, but if you do make sure you don't cause any trouble for Washington. It was a remarkably naive and simpleminded message. What would happen when agents were captured and forced to make public confessions? Later, after the shooting-down of the U-2 spy plane and the failure of the Bay of Pigs, the true meaning of this message would be learned publicly and painfully. In 1949, however, as the cold war escalated, no one had time to study the possible implications.

As covert operations increased, so did the coordination problems between the agency, the White House, the State and Defense departments and the NSC. In 1955 the NSC issued two directives on control procedures for covert activities. A group of designated representatives was set up, consisting of the nominees of the President and the secretaries of State and Defence, to review and approve projects. This group survived into the 1970's. The chairman of the Joint Chiefs of Staff attended, as did others on an ad hoc basis depending on projects and policies. The national security adviser, McGeorge Bundy under Kennedy, Walt Rostow under Johnson and Henry Kissinger under Nixon and Ford attended all meetings and represented the White House.

## THE PHILIPPINES

The agency's definition of covert operations was "any clandestine operation or activity designed to influence foreign governments, organisations, persons or events in support of United States foreign policy". They had been in progress for two years in cold war Europe when the outbreak of the Korean War provided the impetus for a huge increase in paramilitary and covert activities. Even before the North Korean attack in June 1950 the agency had established a base in Taiwan, under the guise of a company called Western Enterprises Inc., to train Nationalist Chinese guerillas for raids on the communist mainland. In 1952 two CIA agents were captured in China where they were trying to organise anti-communist guerilla groups.

The Chinese operation was one of several undertaken in the Far East to keep out the communists. Later in 1950 Lieutenant Colonel Edward Lansdale arrived in Manila as head of an OPC team under cover of being an adviser to the Philippine army. In fact his task was to develop an effective counter to the communist Hukbalahap ("Huk") rebellion which had begun in 1948. The Hukbalahaps, meaning "anti-Japanese army", was a World War II grouping that

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<sup>7</sup> Thomas Powers, *The Man Who Kept the Secrets*, p 31

had resisted Japanese occupation. It was reformed in 1948 to become one of several communist insurgencies which had broken out in the Far East after the war, notably in Malaya where the British were waging a hard-fought campaign against the communists there.

Like the Malayans, the Huks had started in 1942 as a "peoples' army" to fight the Japanese but had refused to surrender their arms to the Philippine government when the war ended. By 1950 they controlled most of central Luzon and even part of Manila.

Lansdale drew up a sophisticated programme of military, political and psychological measures to counter the Huks. These focused on Ramon Magsaysay as the national figure most able to present an alternative to both the communists and the politicians who had collaborated with the Japanese during World War II. As the agency had done in Italy in 1948, Lansdale gave Magsaysay help in the form of election funds, propaganda leaflets, posters and broadcasts. In August Magsaysay was appointed secretary of National Defence and working closely with Lansdale launched an effective military and psychological campaign against the Huks. CIA analysts concluded that the Huks would only give up fighting if they were given a worthwhile alternative. The Huks were offered the choice of constant warfare or economic stability with resettlement and land ownership. Himself the son of a poor blacksmith, Magsaysay appreciated the attractiveness of this plan: if a farmer owns his own piece of property, he will resist anyone who tries to take it away from him.<sup>8</sup> He and Lansdale established the Economic Development Corps through which Huks who surrendered were given a piece of land, tools, seeds and a cash loan to be repaid over a five-year term. Many of these steps were copied by the British who faced a similar communist guerrilla war in Malaya when Sir Gerald Templer took over as High Commissioner there in 1952.

In the Philippines, support for the resettlement programme was non-existent outside the department of National Defence, but as the 1953 presidential elections approached, Lansdale embarked on a more active military campaign against the Huks who still resisted resettlement, and thus gave Magsaysay additional electoral appeal. The technique of working through second and third parties was developed by Lansdale in the Philippines into a high art of counter-insurgency, and it became a hallmark of CIA methodology notably in Laos and Vietnam. Philippine army units were even disguised as Huks, attacking villages, so as to generate more support for the government. To back up Magsaysay's candidacy for the presidency, two organisations were formed with CIA backing, the National Movement for Free Elections and the Magsaysay for President movement.

Magsaysay easily won the election in September 1953, a victory hailed by the New York Times as making the Philippines "the showcase of democracy in Asia" and by Eisenhower who declared "This is the way we like to see an election being carried out". His victory coincided with the ceasefire in the Korean War.

The work and the approach to counter-guerrilla operations of Lansdale and his team represented an important and distinguishing element of the CIA: it was a liberal American institution, seeking to establish liberal democratic principles in its operations. In the Philippines (and later in Vietnam), Lansdale's efforts were

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<sup>8</sup> Joseph B Smith, *Portrait of a Cold Warrior* (New York, Ballantine Books, 1976), p. 95.

characterised by land and political reform as much as by tough counter-guerrilla actions. When Allen Dulles stood by his staff and refused to let Senator McCarthy hunt Reds in the CIA, he ensured that the CIA's liberals and liberal ethos were secure. In Europe, this was reflected in the agency's support for the democratic left - political parties, magazines, newspapers, trades unions. What was more, after John Foster Dulles at the State Department did not protect his China hands and others from McCarthy's witchhunting, the CIA became the preeminent repository of liberalism within the U.S. foreign policy establishment.

In the Philippines, with Lansdale and Magsaysay, the agency had succeeded in checking the communist insurgency and placing an able, non-communist leader in power. But what would it do when there were already radically nationalist governments in power, as in Iran and Guatemala?

## IRAN

In many ways Iran was to be a nemesis for the agency, but when it first intervened in Iranian affairs in the early 1950's, confidence and a fierce rivalry with the British characterised American involvement, rather than foreboding. In 1951 the Nationalist Party led by Muhammad Mussadegh came to power and soon sidelined the young shah, Muhammad Reza Pahlevi, who had ruled under British auspices since 1941. For decades, the British had extensive interests in Iran, firstly attempting to prevent Russian expansion into the Gulf and the Indian Ocean, and secondly the protection of oil supplies which were managed by the Anglo-Iranian Oil Company. The company had been founded in 1901 by an Englishman who was given a sixty year monopoly. In 1914 the British government purchased a substantial share in the company which had a contract to supply the Royal Navy. The shah was given production royalties by the company and these were increased in 1933 when its monopoly was extended for a further sixty years.

Early in 1951, Mussadegh expropriated the company and when compensation was not forthcoming, the British began to apply pressure which effectively amounted to a blockade of Iranian oil supplies. Mussadegh refused to bow to British pressure although the effects on the Iranian economy were devastating. The British were anxious to secure American support to regain their oil monopoly and played up Mussadegh's nationalistic attempt to assert Iranian authority as pro-Soviet. But they soon realised that British and American interests did not coincide.

Shortly after Mussadegh's expropriation of Anglo-Iranian Oil, John Foster Dulles visited the Middle East and concluded that Soviet influence was gaining in the area. He was not particularly impressed with British policies in the Gulf and believed that there might be more to gain from the American point of view by convincing the Arabs that the U.S. was not on the side of the old imperial powers, Britain and France. Naturally, this would also be an opportunity to extend American commercial interests into valuable new markets.

Initially, the U.S. government took no action against Mussadegh, but in 1953, after reports of a Soviet-Iranian loan and alliance, Eisenhower and Dulles agreed to cooperate with the British in a clandestine operation to remove Mussadegh from power. This was the immediate aim. Their longterm motives were somewhat different. The British wanted to regain their oil concession

whereas the United States was more worried about the Russian threat.

In the CIA, responsibility for what became known as Operation Ajax was given to Kermit Roosevelt, grandson of Theodore Roosevelt, and an OSS veteran with extensive experience in covert operations. Roosevelt was charming, resourceful, understated, possessing great energy and a phenomenal range of contacts. He applied his skills to strengthening internal Iranian opposition to Mussadegh.

The plan which Roosevelt drew up in consultation with Dulles and the British envisaged a coup d'etat based on assessments by the CIA and British intelligence that there were powerful sections of popular opinion and the army which favoured the overthrow of Mussadegh. The American Ambassador in Teheran, Loy Henderson, was unhappy with the plan but saw no other alternative. He told Roosevelt:

"I don't like this kind of business at all ... But we are confronted by a desperate, a dangerous situation and a madman who would ally himself with the Russians. We have no choice but to proceed with this undertaking."<sup>9</sup>

Within two months Mussadegh was overthrown and the coup proved that the predictions of popular and army support were correct. To replace Mussadegh, Roosevelt chose General Fazlollah Zahedi, a person deeply unwelcome to the British since Zahedi had been arrested by them in 1941 as a Nazi sympathiser and interned in Palestine for the rest of the war. Zahedi, like Mussadegh, had been reaching for any balance to British interests in Iran: in 1941, nazism was to hand; in 1951, communism. When the news was broken to Sir Patrick Dean, a senior Foreign Office official who was in Washington for Operation Ajax, there was an uncomfortable silence. But Dean realised that the British had no choice. By seeking American help to overthrow Mussadegh, it was axiomatic that American interests would come first. Zahedi became prime minister in 1953 and a new nationalised company was established, the National Iranian Oil Company, in which the British - who had previously enjoyed a monopoly - held an equal stake of 40 per cent with U.S. oil companies.

Operation Ajax was a major triumph for the agency. The financial cost was less than \$200,000, although the budget had been four times that, and at most eight agency personnel were involved. Eisenhower and John Foster Dulles were ecstatic. Roosevelt, however, was less happy. When he briefed the President and secretary of State about the operation on his return to Washington, he was disturbed by their reaction and by the conclusions which they drew from the success of Ajax:

"Foster Dulles had been so pleased and mesmerised by the success I'd had in Iran that he just figured I could solve any problem anywhere in the world. I tried to explain to him very carefully just why it was we'd succeeded in Iran: because careful studies had convinced us that first and foremost the army and secondly the people wanted the same things we did. Under those circumstances it's possible to achieve the results you want. This was something that could be done without sending the marines in. When I reported to the White House, I could see Foster Dulles sitting there licking his chops. I said, if you don't want something that the people and the army want, don't give it to clandestine operations, give it to the

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<sup>9</sup> Kermit Roosevelt, *Countercoup: The Struggle for the Control of Iran* (New York, McGraw-Hill, 1981), p. 18.

marines. And Foster Dulles sat there, just obviously not accepting that at all".<sup>10</sup>

Roosevelt's warning should have been inscribed in stone at the White House. Unfortunately, the long-term effects of Operation Ajax meant that the agency became a victim of its own success: the politicians were falling in love with covert operations. Victor Marchetti, who worked in the office of the DCI for four years before leaving in 1969, charted the development:

"Once I got upstairs and started working for Helms, I found out how the agency really works. I found that one boasted of intelligence but what rings the cash registers is clandestine operations, and within clandestine operations it isn't spying: it's covert action - overthrowing governments; manipulating governments; doing this, that, and the other, including assassinations. And in order to achieve these goals, anything goes. I could see how it worked. I was dealing with Congress and the White House."<sup>11</sup>

## GUATEMALA

In 1950, George Kennan addressed the second regional conference of U.S. chiefs of mission which was being held in Rio de Janeiro. The subject of his address was Latin America and its importance to the United States.

Kennan had great prestige. He was recognised as the person who had accurately foretold the coming of the cold war, and was credited with developing the U.S. policy of "containment" to deal with the expansionism of the Soviet Union. American policy, he declared to the diplomats, had three aims: to protect the vital supplies of raw materials which Latin American countries exported to the U.S.: to prevent the "military exploitation of Latin America by the enemy"; and to avert "the psychological mobilisation of Latin America against us". Latin America, Kennan argued, would be the last area of support left to the U.S. if Europe turned anti-American. As a result, Kennan said, American policy toward Latin America had to put U.S. security interests first:

"The final answer might be an unpleasant one, but ... we should not hesitate before police repression by the local government. This is not shameful, since the communists are essentially traitors ... It is better to have a strong regime in power than a liberal government if it is indulgent and relaxed and penetrated by communists".<sup>12</sup>

These were fateful and prophetic words.

U.S. business interests had a large economic stake in Latin America and by the end of the 1950's U.S.-Latin American trade accounted for a third of the imports and a quarter of the exports of the United States. Of the foreign capital invested in Latin America, 80 per cent was from the U.S. The trade had been advantageous to Latin Americans during the war when the U.S. paid high prices for raw materials, but after 1945 the volume fell. However, there was a postwar assumption that primary products would to a large extent govern terms of trade, and Kennan was reflecting this view.

Guatemala was a microcosm of these problems. Its economy was dominated by the American-owned United Fruit Company and when, in 1952, the Guatemalan government threatened United Fruit's interests, the U.S. government

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10 Interview, 8 November, 1983

11 Interview, Victor Marchetti, 22 November 1983.

12 LaFeber, *Inevitable Revolutions*, p 107



was all too willing to see an ideological aspect in the "persecution" of U.S. business interests. United Fruit's record in Guatemala made unsurprising that it should be threatened: if reform of land and working conditions were to be achieved, either United Fruit had to agree or it had to go. Shortly after his return to Washington from Iran, Kermit Roosevelt was asked to take charge of another covert operation: the overthrow of Jacobo Arbenz's government in Guatemala.

Roosevelt refused and left the CIA, believing the love affair with coups was misplaced. The scheme, however, had the enthusiastic support of Foster Dulles who pressed ahead. There were certain similarities between Iran and Guatemala. The relationship between the United Fruit Company and Guatemala was as similar to that between Anglo-Iranian Oil and Iran. United Fruit was the largest commercial concern in Guatemala and dominated its entire communications and transport system.

Arbenz came to power in March, 1951, after an election in which he had won 65 per cent of the votes cast. He was determined to continue the programme of social and economic reform initiated by his predecessor, and in this he had the support of the communist party and the various labour organisations. But he also incurred the hostility of the conservative opposition within Guatemala which regarded him as a crypto-communist. A plan to overthrow Arbenz with the backing of Nicaragua's Anastasio Somoza had been prepared during the last months of Truman's presidency but had been jettisoned after strong objections from Dean Acheson and his under secretary, David Bruce. The Eisenhower administration did not object.

In 1952 Arbenz expropriated United Fruit's holdings and when he refused to offer compensation and to agree to arbitration at the International Court at The Hague, the company began to put pressure on the U.S. government to act. United Fruit had powerful friends in Washington. Foster Dulles had been United Fruit's legal counsel; Allen Dulles was a shareholder; Robert Cutler, head of the National Security Council staff, had been a director; Thomas Corcoran was a paid consultant of the company while simultaneously working for the CIA, and Spruille Braden, assistant secretary of State for Latin American affairs, later joined United Fruit as a director.<sup>13</sup>

When Roosevelt declined to take charge of the Guatemalan plan, Wisner appointed his deputy, Tracy Barnes to head Operation Success as it now became known. The field commander was Colonel Albert Haney, CIA station chief in Korea, who had considerable experience in paramilitary and commando operations. For the first six months of 1954 the agency spent an estimated \$20 million preparing for the coup. It set up a guerrilla army, a secret air force and secret radio stations. It also selected the man who would replace Arbenz - Colonel Carlos Castillo Armas. On 15 May the agency reported that a Czech ship laden with arms had arrived at Puerto Barrios, a port on Guatemala's east coast, and although there were doubts about the existence of the ship, this was the signal in Washington for the start of Operation Success. On 18 June Armas attacked Guatemala City. Initially things did not go well for Armas and the CIA. The Guatemalan army pushed them back and there was no popular uprising to support him. It was then that crucial air support was given to Armas by the CIA, and this

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13 Leonard Mosley, *Dulles: A Biography of Eleanor, Allen and John Foster Dulles and Their Family Network* (New York, Dial Press/James Wade, 1978), p. 347.

led to the overthrow of Arbenz within days.

This second CIA triumph, following so soon after Iran, was not greeted with universal enthusiasm. The State Department had bitterly opposed Success, claiming that such U.S. intervention would have serious repercussions throughout the rest of Latin America. The British also took a jaundiced view. A British ship was bombed at Puerto Barrios and it took years to get compensation since the B-24 that bombed it carried no markings and no one would acknowledge its identity. There was also resentment at a request made by the CIA station chief in London to the British Secret Intelligence Service that Britain should waive the rights of free passage for their ships in areas near the Guatemalan coast in order to allow U.S. vessels to search any incoming vessels. The British Foreign Secretary, Anthony Eden, later said that "it was a proud right which the British had never before given up even in wartime and the Americans never even said thank you. Or gave us quid pro quo later, when we asked for one".<sup>14</sup>

But Eisenhower, who had taken a keen interest in the progress of Operation Success, was delighted with the result, yet another example of CIA ingenuity. "Thanks, Allen, and thanks to all of you", he told Allen Dulles when Dulles and other senior agency officials gave him a personal briefing at the White House, "You've averted a Soviet beachhead in our hemisphere".<sup>15</sup>

But had they? Evidence of Soviet involvement was tenuous to say the least, as even Foster Dulles admitted. Mussadegh's dealings with the Russians were not disputed, but Arbenz had simply been trying to reform his country and had not sought foreign help for this. The coup d'etat which removed him from power was a warning to Latin America (and the Soviets) that U.S. interests would receive U.S. protection, but it was also a challenge to the national self-esteem of each Latin American country.

By the end of 1954 thirteen of the twenty countries of Latin America were military dictatorships. Regimes which delivered raw materials for American industry as well as support for U.S. policies at the United Nations, benefited in turn from U.S. aid. The CIA was the channel of support, training police forces, temporarily assigning advisers, exchanging information and intelligence.

The overthrow of Arbenz did not bring long-term stability to Guatemala. U.S. companies moved back there and most of United Fruit's confiscated property was returned but in 1963 there was another coup which was followed by a guerilla war of intense savagery during which more than 50,000 Guatemalans were killed. In 1968 the American Ambassador was assassinated.

Guatemala was to be a mirror image of Chile twenty years later when President Nixon ordered the CIA to topple Allende's government there, but by then the political atmosphere in Central and Latin America had changed dramatically, as the CIA appreciated. In the 1970s there was little of the "can-do" atmosphere which had characterised the agency's toppling of Arbenz. With Chile, the agency tried to find reasons for not taking action - echoing, in effect, Kim Roosevelt's view - to the visible displeasure of the White House. It was a far cry from the cosy briefings between Eisenhower and Allen Dulles.

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14 Mosley, Dulles, pp. 347-8.

15 David Atlee Phillips, *The Night Watch: 25 Years of Peculiar Service* (New York, Atheneum, 1977), p. 51.