

AIR

RYBAT/PBSUCCESS

HCG-A-851

Wemyer

~~SECRET~~

APR 2 1954

Chief, Lincoln

Chief of Station, Guatemala

INFO: Washington

Operational

Weekly KUGOWN Operational Report

Reference - HCG-A-814

1. The review mentioned in para. 1 of the last previous weekly report is pouched under separate cover.

2. KUGOWN Task PT/1 (Essence):

Sub-paragraphs a through e below relate to reports submitted by RAZMARA:

a. Encl. #1 relates to the recruitment of Identity discussed in GUAT 270 and LINC 1138. He is now taking the necessary steps to obtain an exit permit and visas for destination and country enroute.

b. Encl. #2 contains self-explanatory responses regarding Lincoln guidance.

c. Encl. #3 is a self-explanatory request for support. All purchases were approved by the station and funds provided to Essence through RAZMARA.

d. Encl. #4, #5 and #6 contain miscellaneous by-product intelligence data. The source of para. 1 of Encl. #6 is RAZMARA's ostensible superior in the cover company.

e. All matters discussed in Encl. #7 were previously reported to Lincoln by cables as indicated. The letter referred to in para. 6 of Encl. #7 was sent to Lincoln under separate cover.

f. All matters pending action were reviewed with RAZMARA on 30 March 1954 and reports requested soonest.

3. KUGOWN Task PT/2: No change.

George L. Tranger

Encl. as noted

31 March 1954

Distribution:

- 2 - Lincoln w/7 encl.
- 2 - Washington w/7 encl.
- 1 - Files w/7 encl

~~SECRET~~

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

2003

25 March 1954

SUBJECT: Meeting Between CARTER and ALBERTO

1. Two meetings took place between Oscar H. CARTER and ALBERTO on 24 March 1954 (Wednesday).
2. Some time ago CARTER had been instructed to send some six or eight persons out of the country to work. Among these was [] Although the others left the country, [] because of the general situation in Guatemala at the time, was retained in the capital. [] is ready to leave, his passport is valid, and only needs the foreign relations exit visa, etc., to permit his exit.
3. [] contracts with Cuban orchestras to visit Guatemala. One of these orchestras is presently in the country. Using this as cover, [] can leave Guatemala enroute to Cuba and the United States in pursuit of contracting orchestras, singers, etc. to come to Guatemala, and also as a general pleasure trip.
4. [] states that he would like to leave \$200.00 (two hundred dollars) cash with his mother when he leaves. Outside of that, he leaves all other financial arrangements to the group.
5. CARTER does not know of the Otto N. Paredes of Alta Vera Paz who wrote Mexico asking for anti-Communist literature. However, he will endeavor to find out what he can.
6. The next meeting between CARTER and ALBERTO is scheduled for Monday, 29 March.

ALBERTO

Encl. # 1

25 March 1954

1. On the 23th of March, around 4:00 in the afternoon, a jeep entered San Mateo Milpas carrying several persons. These passengers spoke to the persons to whom arms had previously been issued (see report of two or three days ago), telling them that Wednesday they were to go to the capital where they were to participate in a revolution which was going to take place.

2. They were given some money at that time, and told more money would be given them in the city. They were also told not to be afraid, because 500 armed men from Momostenango were also arriving in the capital.

3. These men were told they would be lodged in the 1st Cuerpo of the Guardia Civil. They were asked if any among them knew how to operate machine guns, since two were to be given them.

4. It is believed that the men who arrived in the jeep were members of PAR.

5. Forty pistols have also been distributed to men in San Bartolo Milpas Altas. Among these persons who arrived in the jeep were Luis Gaitan of PAR and an Alfredo (last name unknown). In San Bartolo the report was that the arms, etc., deal with a reunion of Paristas.

A.

25 March 1954

1. CARTER states that it would be extremely difficult for any of the persons in the group to undertake the defense of any political program or to start advocating a better program than that which the government advocates.

2. It would be easy to start off with one article, but inasmuch as the newspapers, such as Marroquin Rojas, live on polemics, the other newspapers would immediately take up the banner, and begin to pick holes in what was advocated by the group. The group has no one capable of sustaining, even half-way well, a newspaper battle with these other writers.

3. The danger is that the other newspapers, including those of the government, would quite possibly and probably do such a fine job of picking out all the flaws and playing them up, that in the long run the group would lose out - would be the butt of jokes instead of being taken seriously.

4. CARTER cites the case of Luis Arenas, the deputy who was taken out of the country by CARTER, but returned for one day and immediately sought asylum in the Salvadoran embassy. It was Marroquin Rojas, supposedly of the opposition press, who took the deputy and the opposition to pieces - it wasn't necessary for the government press to run him down.

5. Should the group make exaggerated demands for full-filling or carrying out agrarian reform, building schools, etc., all the papers, not only the Communist press, will be only too happy to point out the fallacies connected with the anti-Communist group.

6. Furthermore, many people have said they are tired of programs, etc. - what they want is a change and it doesn't matter where it comes from - Salvador, Nicaragua, Santo Domingo, the United States, another Ubico, or Ponce - nothing could be any worse than the present regime.

Encl. # 2

7. The Indian and the campesino don't understand one program from another - they are only interested in results. Even in the city among the literate group, very few persons pay much more than extremely casual attention to the polemics thrown out by the various political groupings.

8. Should you take a group, such as the señoras of the markets, who are neglected by the government, and really by any group in power - and advocate assistance for this group - a good program - it would be very easy for the government to immediately tell these women, O.K. we'll give you what the opposition is only putting on paper. While a few of the leaders of this group of women would not be won over, the majority would switch their allegiance quickly, and then the anti-Communists would have lost one of their major supports.

9. CARTER states that these women, neglected by all sides, are quite happy in their anti-Communism - they have won fame as being the most courageous of Guatemalans, more manly than the men - and they enjoy this and continue in the fore-front of the anti-Communist group.

10. A vast majority of the anti-Communists are anti-Communists because they are at least nominal Catholics - and to them all the tossing around of programs mean nothing - as long as the Communists are around, they are in the opposite camp.

11. CARTER states that the advantage with the government forces is that they are of the revolution, have discipline of sorts, and have a leader to whom they can point.

12. The anti-Communists are connected with (and many times are) the reaction - have no discipline (because of the hedge-hedge of groups going to make up anti-Communism - and have no leader (because some cry for Ydigoras Fuentes, others for Castillo Armas, and other for Cordova Cena, and still others for other persons.

13. Should you try to settle upon one of the three men above to build up into the great leader of the people, you are going to alienate many of the group's supporters - in the minds of some people, Ydigoras is the cruel tyrant;

Castillo Armas is suspect, because he lead a revolt in which only he and one other came out with their lives - and then he "escaped" from prison - many say he sold out and lives abroad in government pay; Cordova Cerna is associated with the revolution of '44 - he pushed and signed many expropriation bills while he was in the ministry - he is too radical, in the opinion of many.

14. Therefore, the opposition must be given something around which they can all rally, regardless of their political affiliations and antipathies - as long as it is anti-Communism.

15. It is a weakness, but one which could be even weaker should a group suddenly spring up before the time is ripe and try to force ideas and a leader upon the rest.

A.

25 March 1954

1. CARTER has requester permission to buy an alto-parlante for use in these areas, such as the Tiquisate - the crowds attending the meetings are so large that the voice alone does not carry.
2. He would also like to buy a box-camera to take pictures of Communists and anti-Communists for publication in El Rebelde or for propaganda work.
3. A used motorcycle, for use in spreading black propaganda through out the city and country, would cost around \$400.00. It would be of great value to the group of black propagandists in dissemination.
4. A used jeep or car for the white propagandists and the groups which make the visits to the different fincas, could probably be purchased for some \$700.00. Presently these groups can visit possibly one, two at the most fincas, a day going by bus or horse-back. In a car these visits can be doubled at least, as well as provide for the carrying of materials, propaganda, etc.
5. CARTER states these two vehicles can be purchased under assumed name, since the control is neither efficient nor strict.

A.

ind. # 3

25 March 1954

1. CARTER states that there is great unrest in the Tiquisate area.

2. Many landowners, knowing the government was coming in to divide up their land, decided to parcel it out themselves, to friendly campesinos.

3. When the government representatives arrived, they began to repossess the parceled out land to give it in turn to campesinos they thought more favorable to the government.

4. This has caused great resentment. Many of the campesinos are refusing to accept the parcels, since the feeling is that action is going to occur soon, and they don't want to be connected with the government nor to stand accused when any change comes.

5. CARTER states that the number of persons applying for membership and anti-Communist cards is so great they must hunt a larger meeting house, and keep a secretary working all day long.

6. The idea has grown among the people that whenever they leave the country the anti-Communist cards are very valuable because the authorities in the other countries ask to see them. The people are demanding cards, buttons, etc. And in the streets many people are loudly proclaiming "soy anti-comunista - abajo el comunismo".

A.

Encl # 4

25 March 1954

1. The following is translation of attachment, which was submitted by CARTER:

2. *In a conversation among González Juárez, Charnaud MacDonald, and several other personalities of revolutionary politics of Guatemala the following was commented:

The program of the Costa Rican government of Figueres, and in particular the program relative to agrarian reforms, is governed by and based on the politics of the Guatemalan government. The president of Costa Rica maintains close relations with the government of Guatemala, and has had talks with various directors of our Revolution with the purpose of taking a path for results similar to those which we have traversed.

Several accionistas minoritarios of the IRCA have come to Guatemala at the invitation of the government to have an interview with Arbenz. This interview dealt with, or will deal with, means of taking away the control which the UFCO has over the railways, freight, etc. The Guatemalan government has offered to these minority stockholders its support in raising the tariffs on the large quantities of cargo which the UFCO ships - in return for the support of these stockholders for the Guatemalan government.

Concerning the strange behavior of Canessa in the Caracas conference, and the two strange refusals of the Salvadoran embassy in Guatemala to grant asylum when requested - Funes offered Osegueda (when Osegueda was Minister of Relations Exteriores) the vote of Lic. Guerrero, in the Hague Court in the case of Nottebohm vs. Guatemala, as the first step in certain arrangements that President Arbenz wants to make with President Osegueda in their next interview - a pact which reportedly will deal with Guatemala not interfering, nor permitting Communist infiltration in El Salvador - in exchange for which El Salvador promised to denounce and expel those trying to over-throw the Government of Guatemala.

"In government circles insistent rumors continue to circulate concerning the possibility of a coup on the part of the army. The political parties are taking measures rapidly to try and weaken and foment divisionism within the ranks of the military in order to try and overcome this danger.

Díaz continues to outline himself as the next President. He is supported by Major Alfonso Martínez and the dissident groups of the different revolutionary political parties. The part of the presupuesto which Díaz controls comes to nearly \$300,000.00.

It is said that Díaz is almost sure of gaining the presidency, and that in case he doesn't obtain the president's support, he will enter into action.

Opposing Díaz is the group headed by Charnaud MacDonald and González Juárez - possibly also in this group is Aldana Sanchoval. This group counts on the support of the President and of the PGT - and doesn't say who will be its candidate. Very probably at the last minute Sánchez will be launched - Sánchez is the strong man at the moment because he controls nearly \$7,000,000.00 of the presupuesto, and naturally a large part of this sum will be entered in the confidential line. This is not so in Díaz case, since the money which he controls is destined for the troops, and accordingly controllable.

Concerning the political preparation; a few months ago the PAR succeeded in obtaining a strong position in the government, and a control of Congress by 25 votes. This was a danger for the parties of the extreme left, and for the pretensions of governmental control by certain elements. Strangely, it is seen that a certain director of PAR began to provoke divisions and schisms in the party in spite of being one of its principal members. González Juárez fought to throw out of the party EFEF, Salguero, E. Viteri, etc. Shortly afterwards a new division is headed by the Private Secretary of the Presidency; Chicas Carrillo, F. Morales, etc., are thrown out of the party. And now the party is weakened with the retire of Ovando Arriola, H.A. Franco, etc.

*The present position of the party PAR, which it would have seemed logical from a personal interest of González Juárez to maintain strong, has been weakened until it is now in a position of inferiority even compared to the independent block.

On the other hand, the PGT is constantly being strengthened and supported.

These political movements give us the key to the fact the Government is taking the necessary steps to keep the revolutionary parties balanced while it tries to strengthen the PGT which will be the party which the government takes over and with which it fights the next electoral campaign, which in view of all the maneuvers of the various political parties, will begin at the close of this year.

I have left out another step in the political steps in the balancing of the political parties - This is the retire of Orantes from the Junta electoral and of Virgilio Zapata as magistrate of the Corte Suprema.

Based on the foregoing, it would be of interest to start a campaign of propaganda with the purpose of obtaining a definite demarcation among the groups - Charnaud, González Juárez, Sandoval, PGT, Díaz, Martínez, dissidents of the different parties. This propaganda would deal with trying to mark or point out the Díaz group as anti-Communists, or letting it be understood that the anti-Communists prefer this group, and at the same time attacking the other group. In this way, we could avoid a future fusion of these two forces, and keep alive a division among them which in the long run would be taken advantage of by the opposition.

Another press campaign which would be effective and which counting upon sufficient funds, ~~could be attempted~~ could be attempted - it that of trying to get a strong organ of the independent press to open a theoretical section but well directed and well written, against Communism.

It seems to me that outside of the campaign of anti-Communist propaganda, which because it is directed by political groups we can call it "partidista", there exists almost no work to counteract the constant and well directed injection of Communism which, by means of the official press and the various government radio station, constantly indoctrinate the pueblo.

If such a work in this sense is approved, the first steps in organizing it can be undertaken.

CAMER

25 March 1954

1. Dyer stated that the [] reports received here indicate that presently and during the recent past the Guatemalan government has been sending a considerable number of agents to Honduras, Salvador, and Nicaragua (if they can get in) ~~in~~ with orders to infiltrate the exiled ranks and report back on whatever preparations are being made.

2. CARTER says word has reached his group which tends to support the [] reports. CARTER will attempt to get more detailed information (names, etc.)

3. This information should be passed along to PANCHO as quickly as possible.

[]

A.

29 March 1954

SUBJECT: Meeting Between ENNO and ALBERTO

1. ENNO and ALBERTO met on Saturday night, 27 March.

2. ENNO stated that he was unaware of the identity of the person to be recruited, and inasmuch as the intermediary had left the country, it would be impossible for ENNO to take any further steps in the matter until the person to be recruited had been identified to him. SGVAT
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3. ENNO confirmed previous report that CARTIER had been left in charge of things within the country upon the departure of intermediary above. SGVAT

4. ENNO also returned \$200.00 which was the money outstanding on the unused part of the Caracas airplane ticket of FM. Para. 3 (A)
HGG: RIT

5. ENNO stated that things within the country are very serious, and unless action from the outside is taken soon, there is danger that things will fall apart on the inside. This past week 150 persons had been arrested (although not all of them actively connected with the movement) - many persons active in the movement are army personnel who have carried out their directions where they are now in danger if action is not taken soon. Some of these officers are threatening to quit the movement - others are saying that they have been betrayed by PANCHO (since no action is forthcoming and they are exposed because of things they have done in forwarding the movement). SGVAT 21

6. ENNO stated he would write a letter to [] dealing with paragraph 5.

7. Next scheduled meeting between ENNO and ALBERTO is for Monday 29 March.

[]
ALBERTO

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