

CIA HISTORICAL REVIEW PROGRAM
 RELEASE IN FULL

U.S. Official Only

~~SECRET~~

SECURITY INFORMATION

2003

CENTRAL INTELLIGENCE AGENCY
 INFORMATION REPORT

COUNTRY Guatemala

REPORT NO. 00-B - 70494

SUBJECT Political Views of: Newspapermen, Wealthy Businessmen,
 Government Officials, Oppositionists/Resistance to
 Regime/US News Inaccuracies

RESPONSIVE TO	
1	2
CD NO.	
OO/C NO.	
ORR NO.	
DAS NO.	
OCI NO.	

PLACE ACQUIRED (BY SOURCE) Guatemala City /Antigua/Quezaltenango and
 Surrounding Rural Areas

DATE ACQUIRED (BY SOURCE) Jul 53

DATE DISTR. 24 Nov 53

DATE (OF INFO.) Jul 53

NO. OF PAGES

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
 OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793
 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-
 LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS
 PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

NO. OF ENCLS. 5

THIS IS UNEVALUATED INFORMATION

SUPP. TO
 REPORT NO.

SOURCE Foreign editor of a well known metropolitan daily newspaper, who returned in
 August 1953 from a three weeks stay in Guatemala.

1. In July 1953 I spent three weeks in Guatemala gathering material for a series
 of newspaper articles on current conditions. I had received a written
 invitation from Federico Guillermo Palmieri, Director of Turismo. (I suppose
 other foreign editors of US newspapers received similar invitations. My
 newspaper happened to like the idea - particularly since Turismo was picking
 up the check.)
2. Palmieri sent me two plane tickets, one for me and one for my wife, and met us
 at the airport in Guatemala City. He escorted us to the Pan American Hotel where
 excellent accommodations had been arranged. He explained that I was welcome to
 go anywhere I wished, to see anything I was interested in seeing, and to take
 any pictures I liked. He offered to arrange interviews with any persons I named
 and to make whatever arrangements I wished him to make to enable me to get
 material. He expressed sorrow that Guatemala's tourist trade had hit bottom and
 said he did not wish to be impolite but he thought it was largely due to a bad
 US press. This was the pitch I had been expecting and I gave him what I hoped
 was a concise explanation that US journalists feel free to report exactly what
 they see and hear no matter where they go. He accepted this with apparent
 good grace adding that he hoped to persuade me to check the accuracy of some
 recent press releases: (I agreed). He stated with some pride that the press is
 also free in Guatemala. I said I would like to meet some editors. He said he
 would arrange it. I said I would like to meet representatives of all political
 groups, both pro and anti-government, and that I would like to talk to people
 in rural districts. He said that he would be happy to make any arrangements I
 wished and that I was to feel free to proceed under my own steam or to call upon
 him for assistance. I told him I would probably do both.
3. During the following weeks I talked with: three newspaper editors, all of them
 anti-government; a group of well-to-do Guatemala City businessmen; two wealthy
 owners of coffee fincas and other enterprises, one in Guatemala City, the other
 in Antigua; two top government officials. The following is a list of individuals
 and groups contacted, with a description of each and summations of their attitudes
 and opinions.

U.S. Officials Only

~~SECRET~~

SECURITY INFORMATION

DISTRIBUTION	STATE	EV	X	ARMY	X	NAVY	X	AIR	X	FBI				
--------------	-------	----	---	------	---	------	---	-----	---	-----	--	--	--	--

This report is for the use within the USA of the Intelligence components of the Departments or
 Agencies indicated above. It is not to be transmitted overseas without the concurrence of the
 originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

F/11-5

4. Newspapermen: Alfredo Palmieri (brother of Guillermo), staff writer for "La Hora", Clemente Rojas, editor of "Impacto" and Ramón Blanca, editor of "Imparcial", are all outspokenly anti-government. Blanca, particularly, is famous for his intemperate, vituperative articles against the government. Their opinions are quite similar about the probable course of events in their country, namely, that the economic picture can be expected to grow progressively darker. They point out that the present government plans the expenditure of more money than the treasury has or can possibly get, and they expect serious trouble when funds have been exhausted. They object strongly to Arbenz and his strong-arm entourage, but doubt that he can be successfully deposed in the near future. Alfredo Palmieri told me that it has become impossible to get in to see Arbenz. He had tried many times to make appointments, but had been told each time that Arbenz was too busy to see the press. (He added that Arbenz's secretary, who is in an excellent position to wield strong influence, is an extremely active Communist.) I asked why, in a totalitarian state, they were permitted a free press, and how long they expected this liberty to last. They replied that they had no way of knowing how long they would be permitted a free voice; eventually, they think, there is a good possibility that their newspapers will be taken over by the government. They pointed out that in Guatemalan tradition there is no ingrained conviction that the press must be free, and that consequently they have no premise upon which to pin such a hope. All seemed anxiously aware of the history of Mexico, and disturbed by the evidence that this picture is repeating itself in Guatemala.
5. Businessmen: Through Guillermo Palmieri I met a group of well-to-do businessmen of Guatemala City at the Guatemala City Country Club. Palmieri gave me a guest card and I talked with one or two at a time on several different occasions. It is hard to get any reaction at all out of these men on the subject of politics. Apparently they are not vitally interested in what is happening politically probably because they are not suffering; taxes are not hitting them hard and they are keeping their money. None of them has anything good to say about their government; they are simply accepting it with a fatalistic Latin shrug. Arnold Hayter, who runs a tourist agency called "Maya Trails" told me that even though these men are conservatives and oppositionists, not one of them could be persuaded to contribute to a campaign fund to back the opposition at the last election. "When you have lived all of your life in a dictatorship you are careful never to get your name on a resistance list," he said. "They have seen too many of their friends executed for less". The attitude of this group toward politics as a career reflects a basic lethargy and a moral vacuum which seems in a large part responsible for the lack of strong resistance among them to Arbenz. This attitude can be summed up in the tacit postulate that one enters politics to obtain wealth and personal prestige - to better oneself, not one's country. Enriched politicians are admired and respected; little, if any, attention is paid to the means they may have made use of to attain or to maintain their position. Major Martínez, administrator of the Land Reform Program, for instance, is highly admired by this group. His open grafting (he has recently purchased a tremendous apartment house in which he keeps his mistress in high style) is referred to with a wink and a broad smile. My host, Guillermo Palmieri, is another favorite of this group. A typical Latin politico, he is apparently a complete opportunist with no political philosophy whatever. One of several of who helped quell revolts against Arévalo, he obtained his present position as a reward, and he is making good use of it. To attempt to discuss a politico-philosophical ideal with this group is simply to invite derisive laughter. Democracy, to them, is a highly successful form of imperialism. They especially enjoy pointing to the land concessions obtained by the United Fruit Company - concessions which are highly resented by all classes in Guatemala, and pointed out as typical examples of democratic imperialism, and a reflection upon Guatemalan sovereignty. (I had expected to find a certain amount of bitterness toward the United Fruit Company in Guatemala, but its extent and universality somewhat surprised me.)

6. Two wealthy owners of coffee fincas: I spent several days with Mr Gustavo ~~X~~Stahl, a native Guatemalan (his mother was Guatemalan, his father was German). He is a man about 55 years old, well educated, cultured, an excellent host. His family is quite prominent in the country. A brother, Irving Stahl, has an automobile agency in Guatemala City; together they own a movie theater, and other real estate. Stahl follows the political happenings in his country very closely, but with an attitude of amused objectivity. It is almost as though he were watching some immense carnival. He discusses the various politicians as though they were clowns, and describes the movements of the people with the detachment of a director on a movie set. Nevertheless his knowledge of the history of his country is well rounded and accurate, and his insight extremely keen. His predictions of the future of Guatemala are much the same as the newspapermen's - that a crisis can be expected when the money is gone. He would like to see Arbenz and his group deposed but sees no possibility of such an occurrence with the weak, unorganized opposition which now exists. He told me that Arbenz pays commissioned officers in his army exorbitant salaries and allows them to import whatever they wish duty-free, in order to keep the army under his thumb, and that as long as he is thus protected, there is very little likelihood of any successful coup. Means of electioneering are controlled by the government in power (radio, printing facilities for posters, planes for dropping them etc). The Guatemalan peasant, he said, is a sheep and votes for whomever he is told by the party in power. Of those presently in power, he believes Victor Manuel ~~X~~Gutiérrez, boss of Guatemala's confederation of labor, to be by far the most important. "He is the real brains of the party, the power behind Fortuny and Pellecer". Stahl said, "Of the three, Gutiérrez is the man to watch". Mr Stahl made another prediction: that revolution will come in El Salvador before there is another change of government in Guatemala. He seemed unwilling to elaborate but certain of his facts.
7. In Antigua I spent a day with Antonio ~~X~~Durán, a well-known anti-Communist. (Palmieri did not know I was going to see Durán - I got his name from the (US) manager of my hotel. However, since I used the public telephone in Antigua to call his house, Palmieri knew I had seen him by the time I returned to Guatemala City). Durán, a wealthy coffee planter, also owns a firebrick factory in Antigua and several industrial enterprises. He does not speak English but I was able to converse with him through his daughter, an attractive young woman in her 20s who was educated in the US, and speaks excellent English. Durán is about 55 years old, a well-born Guatemalan, and a highly educated landowner who uses progressive methods in the administration of his finca. His workers are excellently treated and well satisfied with their lot. Durán does not fit the present government's much touted picture of the typical landowner, and consequently is highly disliked by those in power. Nevertheless he is very popular in his own bailiwick and on the strength of his confidence in the support of his people he ran for congress at the last election. The polls were administered by representatives of the government in power, however, and it was announced that he had lost. He believes he was the victim of a crooked count, and is embittered by the experience. A brother, also active against the Communists, was forced to leave the country for oppositionist activity and is presently in Honduras. Durán is highly distressed about the present plight of Guatemala and worries about the future. Like Ramón Blanca, the editor, and Alfredo Palmieri, journalist, he feels that the history of Mexico is repeating itself in his country. He has no faith in the ability of the opposition to strengthen itself sufficiently to provide adequate resistance. Queried about his reactions to the Land Reform Program, he maintained that he had no objection to it and thought it might accomplish considerable good for the people if it were well administered. (He admits that it is not, and that the law provides loopholes for malpractices of various kinds). He points particularly to the fact that under local administration the land is surveyed and the statistics reported "by guess and by God" by barefoot Indians who can barely count to ten. Fortunately the Program does not affect his own holdings, since all of his acreage is in work, and no land can be claimed which is presently under cultivation.

8. Two top government officials: Guillermo Palmieri arranged short interviews for me with Victor Emanuel Gutiérrez, Moscow-trained boss of Guatemala's confederation of labor, and Carlos Manuel Pellecer, labor leader, member of congress and front man for the Communists. I spoke through an interpreter during a recess of a Congressional Session. I was particularly interested in Gutiérrez, having heard from two men whom I had judged to be the shrewdest observers I had met, that Gutiérrez was the real brains of the Communist movement. Small, shy, and baby-faced, he appears on first impression to be an underdeveloped lad of 18. He says that he is 30, but this is difficult to believe. His personality, his manner, his entire approach to the interview seemed deliberately based upon a premise of understatement and underestimation. In answer to my questions about his job, he said that he is a teacher of economics in the Guatemala City High School. I explained that I meant his activities as head of the confederation of labor, and asked how many members in the confederation; he said that there are 35 thousand. I asked the amount of annual dues and he answered that they are approximately US\$3 thousand. (I believe both figures are considerably underestimated.) I asked how the confederation managed to become so powerful on such a small yearly intake: made a gesture intended to deprecate its power and said that their expenditures were very small. I touched on the possibility that the confederation might be a recipient of funds from Moscow, and he smiled a very small smile and asked if this were a Yanqui joke. I expressed my surprise at seeing handbills asking signers for a petition to save the Rosenbergs, and those that said "Fight for the Peace", and inquired about their origin. He answered that they were spontaneous reactions of his countrymen; and when I intimated that they were typical of Party-line propaganda all over the world, he shrugged again and replied that there were many people all over the world who entertained the same spontaneous ideas. After this interchange I decided that I was getting nowhere fast with Mr. Gutiérrez and shifted my attention to Pellecer. From Pellecer came the same responses from the Party catechism, stated in the strong, obvious manner of a salesman. Pellecer has been in the diplomatic service in Belgium and in France, and it is my guess that he has had thorough training in the mechanics of organizing working units for the Communist Party. He does a great deal of work among both urban and agricultural laborers, with a high degree of success. He expressed pride in various accomplishments of the present regime - the Land Reform Program, the Health Plan of the state of Guatemala. He admitted that there were various flaws in the actual workings of the Land Reform Program, but he pointed out that the government was new at its job, and that it required time to become adept at such administration. His personality is dynamic, his appearance rather dramatic. He seems well qualified for the work to which he has been assigned.
9. Resistance to the Regime: The only stirrings of resistance I was able to detect came from the university students in Guatemala City. "Stirrings" is probably too mild a word for their blatant expressions of opposition. I was told that in the Easter holiday parade, a large float (built by students) suddenly appeared bearing an enormous banner with the words: "ARBENZ IS A DOPE FIEND!" Students were blamed for defacing the peace posters and the save-the-Rosenberg posters; several anti-Communist professors have been expelled from the university for suspected anti-Communist Party activities. In Quezaltenango there is also obvious evidence of anti-regime sentiment. Pro-Communist posters never last more than 12 hours in the city, and I gathered the impression that underground resistance is well organized in this rather independent city. Quezaltenango's nationalists have not fallen for the Communist line, and if there is an area anywhere in the country where the resistance can be called "hard-core", it is here.
10. News inaccuracies: Having kept a reasonably complete file of news releases concerning Guatemala for at least a year previous to the time of my arrival there, I was familiar with several of the stories Palmieri wished me to check. For example, during the last week of June or the first of July 1953,

US newspapers gave considerable space to a story of a raging fire in Guatemala City. According to the US press the fire had been set by oppositionists and had consumed several city blocks. When I went to the scene of the fire I found a small razed lot, which formerly had been occupied by a rickety old warehouse. The warehouse had gone up in smoke and four workers in it had been killed. There was no political cast to the story that I could discover from talking with neighbors who had been present when it burned. Another example of the sort of press to which Palmieri objects occurred on 16 Jul 53 (while I was in the city). This was the day the workers of the Empresa Eléctrica pulled the power switches, having received legal permission to strike. The power was off between 10 am and 3 pm, at which time the government seized the company and called the workers back. US newspapers carried stories stating that "Guatemala City is in darkness" and so on - which were obviously false. There are many other examples of this brand of highly exaggerated and sensational news coverage from Guatemala; during the time I was there I was aware of a great deal of bitter resentment on the part of both government officials and anti-government citizens. There is more sensitivity to US press releases than one would imagine likely in a country so isolated in other ways.

-end-

916 35E
111.2 35E
917.726 35E
721.2 35E
917.764 35E
917.114 35E