

CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL

2003

Report No. 34

Date of Report: 10 June 1953

Date of Inform: 8 June 1953

TO : Chief, WH
FROM : SBEKFORD
SUBJECT: Major Jose Eduardo MONTENEGRO Paniagua.¹
SOURCE : CALIGERIS

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1. Major Montenegro, a Guatemalan who has been in exile in Mexico since 1952, is in possession of a document which purports to show the existence of a pact entered into by the military chiefs of Guatemala for the purpose of overthrowing the government of Colonel Arbenz.
 2. The document is known to have the signatures of Colonel Humberto Diaz, Colonel Roberto Barrios Peña, Major Montenegro and two other persons not identified. All are Guatemalans.
 3. The document has been authenticated by a Honduran lawyer, one Santiago Echeverria, who witnessed the affixing of signatures in San Pedro Sula, Honduras.
 4. Major Montenegro has recently admitted that all signatures, with the exception of his own, are false. A Captain Edmundo Diaz, Guatemalan now living in Honduras falsified the signature of Colonel R. Barrios Peña. Colonel Humberto Diaz, it has since been established, was not in Honduras at the time the document was drawn up.
 5. Montenegro claims to have close connections with Mr. Sam Zemurray and, that he has received positive offers of support in overthrowing the present Guatemalan Government.
 6. A group of Mexicans is working with Montenegro and claims to have contact with important persons in the United Fruit Company. The key persons in the group are Engineer Reginaldo Sanchez, Captain Bustamante of the Mexican Army, and, General Armando R. Parayon, member of the army staff of President Adolfo Ruiz Cortinez. Lastly, the group contains a Mexican lawyer, name unknown, at present a member of the supreme court of Mexico.
 7. Messrs Montenegro, Sanchez, and Bustamante are on the point of, or have already, left for the United States. Their purpose is to talk to United Fruit Company personnel. They are being accompanied by an American citizen who has arranged for them to travel without passports.

8. The group maintains that it will receive from the United Fruit Company \$2,000,000, arms, and a ship to carry equipment from a United States port to the Port of Tela in Honduras. From Tela the equipment will be moved to Copan near the Guatemalan-Honduran frontier.
9. Major Montenegro states that he has the support of a strong group in Guatemala headed by his father, General Montenegro.

1. Source comment: Major Montenegro has a reputation as a swindler and montebank. I believe the Mexicans are being duped into serving as a "front" for his scheme to get money from United Fruit. He has no organization as such in Guatemala.