

INFORMATION REPORT

COUNTRY Guatemala

REPORT NO. 00-B-73720

SUBJECT Guatemala News Notes

CIA HISTORICAL REVIEW PROGRAM

RELEASE IN FULL

PLACE ACQUIRED
(BY SOURCE)

DATE ACQUIRED
(BY SOURCE)

21 Feb 54

2003

DATE (OF INFO.)

19 Feb 54 and earlier

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

DATE DISTR. 18 Mar 54

NO. OF PAGES 5

NO. OF ENCLS.

SUPP. TO
REPORT NO.

SOURCE Official of a US company with extensive interests in Latin America.

This official compiles at frequent intervals a letter addressed to a chief executive of his company. These letters contain brief news items compiled from the press of the country upon which he is reporting.

1. "A new political party designed to be a party of the center although it bears the name ~~Partido Nacionalista Revolucionario de Izquierda~~ (Nationalist Revolutionary Party of the Left) is now being formed by the purged members of the Partido Acción Revolucionaria. This new party contemplates an ideology of the Center but will adopt a radical position on international policies, especially those concerning the two 'imperialisms of our epoch'--economic, which threatens intervention, of the Yankees; the totalitarian and annihilating of the human personality, of the Soviets.

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2. "Those behind the party are Francisco Fernández Benítez, Alvaro Hugo Salguero, and Jose Felipe Gardón, all purged by the PAR; lawyer Jose Abel Recinos, and Enrique Viteri Batres, Mrs Guadalupe Ferras Quinones and Francisco Sanchez. They expect various deputies and what Impacto calls 'people of better academic and political preparation' to join them. They emphasize the party is entirely Guatemalan, without Communist infiltration and is an enemy of the Russianization of the country.
3. "Impacto [13 Feb 54] says, 'These people realize that so dangerous and tragic has become the Red intervention in our domestic problems, a result of the Asiatic despotism of the Soviets, that we could be sacrificial sheep depending upon the desires of our Communists and fellow travelers: For this reason, persons who are connected with the (Guatemalan) Revolution from 1944 believe they can save it.'
4. "One of the first moves of the new party was to oppose the candidacy of Major Marco Antonio Franco Chacón, a fellow traveler, for the presidency of the Congress convening Mar 1 [1954]. The organizers recall that Major Franco made a trip far behind the Iron Curtain, but at the same time they do not want to be called anti-Communists in order that they do not become confused with ultra right-wing groups or that they are adversaries of the regime of President Arbenz. They explained they are in reality active belligerents against 'the enslaving instructions that arrive from the cold steppes.'

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5. "Impacto (16 Feb 54) says editorially that the new party has not changed the color of its supporters and that their mentality and their ethics have not been modified. However, Impacto predicts the new party will be well received because it is a party born without dirty diapers, in that it is not so far tarred by the brush of sectarianism to which the other parties have so heavily contributed.
6. "Elsewhere on the political front: Under the impetus of the other government parties, the two factions of the Renovación Nacional have arrived at a formula which would enable them to resolve their differences. These came to a climax last 18 Dec [53] when the dissident elements led by Hector Fión Garza took action to oust the Secretary General Jaime Díaz Rozzotto, Private Secretary of President Arbenz. The formula provides for a party convention expected to be held shortly. Arbenz is believed to be behind the movement to revive the Renovación. So far there is no indication of what this move might lead to and there is some indication it will meet with failure in view of the propaganda being issued by Díaz Rozzotto to the effect that the Fión Garza elements have been disciplined and would accept the leadership of Díaz Rozzotto.
7. "Abel Cuenca, the Communist infiltrator and Secretary of the Central Committee of the PRG, said that the differences existing between the political parties making up the coalition will be decided by the National Democratic front. The PRG is especially interested in this decision because in recent clashes with the PAN the PRG lost out in the towns of San Martín, Jilotepeque, and El Tumbador, San Marcos. Cuenca claimed the PRG was not the aggressor in these two disputes because his party had given instructions to avoid any friction with the other coalition party members because such would break the indispensable unity of their forces.

8. "The latest aide memoire to Guatemala sent by the State Department suggesting international arbitration of direct negotiation with the United Fruit Company over claims arising from the expropriation of 240,000 acres, does not appear to have caused any excitement in Guatemala. The Foreign Office announced 15 Feb [54] the receipt of a note from Washington saying that this was asking Guatemala to reply to the first note sent six months previously requesting settlement of the indemnity issue with the [United] Fruit Company. Foreign Minister Toriello said there had been no reply to either note and there would be none issued in the next few days. However, in the Foreign Office the press was told an answer is under study and as soon as this was finished a reply would be made known. In Washington a State Department spokesman said this would be the last note in which the US asked Guatemala to negotiate this issue and that if the government of Guatemala refuses, the question would be submitted to an international court or to international arbitration. Overlooked by the Guatemalan Foreign Office, either intentionally or because it was not understood, was the fact that the United Fruit Company has filed a claim with the State Department for full value of the lands seized and incidental damages sustained. The State Department did not disclose the amount of the [United] Fruit Company's claim.

9. "The United Fruit Company has been accused by the experts of the Ministry of Agriculture in a report to labor inspector Rufino Alvarado Cuervo of resorting to inadequate measures to combat Panama and Sigatoka diseases in the Bananera area. The charge is tied to the labor dispute involving the workers of that area and the labor inspector said the United Fruit Company officials would be called upon to explain measures taken on their plantations, and if the charge is proven the labor authorities would demand payment of complete indemnities to workers that were fired, besides applying a heavy fine for violating the labor code unless they reemploy the laborers.

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10. "The day after this report appeared in the press a [United] Fruit Company spokesman said the company has used all of its material and technical resources to fight Sigatoka not only to protect its own farms but also those of independents. In 1953 the cost of fumigating with Bordeaux mixture was Q3,719,807. He said that Panama disease is practically incurable because the only solution is flood fallowing but in Tiquisate it is not possible to apply this remedy.
11. "The Guatemalan government decided just two weeks before the Inter-American Conference at Caracas to send a delegation and in an announcement explained that attendance at the Conference would not signify Guatemala's recognition of the current Venezuela regime, and that the attendance of Guatemala signifies its faith in the other nations of the Americas as a safeguard for principles of non-intervention. Those comprising the Guatemalan delegation will be Foreign Minister Guillermo Toriello, Carlos Gonzalez Orea, Secretary of Publicity and Propaganda of the Presidency, Guatemalan Ambassador in Salvador, Miguel Angel Asturias, Julio Estrada de la Hoz, Deputy and former President of Congress, Julio Gomez Padilla, President of the First Labor Appellate Court, Jose Luis Mendoza, Chief of the Treaty Department of the Foreign Ministry and Guatemalan expert on Belize, Guillermo Noriega Morales, economist of the National Agrarian Bank and Efraim Rodriguez, chief of the general secretariat of the Presidency. The delegation leaves 24 Feb [54] for Caracas, and in the meantime the delegates have been studying the Guatemalan agenda, the chief point of which is a demand for the liberation of occupied lands in America by European powers, especially the case of Belize, British Honduras.
12. "Impacto predicts nothing will come out of the Caracas Conference detrimental to Guatemala.

13. "The Ministry of Agriculture said during 1953 there were 775 growers of cotton of which only 96 had extensive plantings, the remainder being small producers of less than three manzanas in production. The total land area cultivated to cotton was 16,030 manzanas. The agency said the crop being harvested would reach 100,000 quintales of ginned cotton.
14. "On 16 Feb [54] the National Agrarian Department announced the distribution of 15 manzanas of expropriated United Fruit Company land to 138 unemployed workers on the farm El Mogollón in Tiquisate. *Good*
15. "The National Agrarian Council announced it would expropriate two caballerías of the San Pablo farm owned by Pablo ~~Tarot~~ Bigle in Carcha, Alta Verapaz department, and that owner declared he desired to surrender the land without receiving indemnity as his contribution to the development of the agrarian program. *Good*
16. "Only 15 of the 36 deputies present voted to express their confidence in Deputy Felipe Dardón who has been accused of blackmailing the importers of automobile parts. The resolution asking for a vote of confidence was asked by Fernando de Leon Porrás after a committee investigating the case had approved a favorable report. Dardón who had asked permission to retire prior to the vote did not return to his seat.
17. "Clemente Marroquín Rojas, discussing 17 Feb [54] (Impacto) the history of revolutions in Guatemala and commenting on the last so-called plot announced by the government, asked the question Who would have fought for Idigoras and Castillo Armas? and answering this said: 'It would have been easier to hand over the arms to the market women than to the anti-Communists of the city or the farm.'
18. "Ex-President Arévalo, visiting La Paz, Bolivia, to award a decoration to President Paz Estenassoro, blamed the campaign against Guatemala on the United Fruit Company who he said would carry this issue to the Inter-American

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Conference at Caracas. Toriello said that Guatemala at Caracas would oppose any attempt by the United States to place obstacles in the path of Communism in the Americas. He said the government considers any attempt to do so would be directed toward Guatemala and signify its intervention in the internal affairs of other countries. The resolution on the agenda at Caracas suggesting action to safeguard the Hemisphere against Communism is expressed in general terms and does not mention Costa Rica.

19. "The US\$20,000 invested by the Guatemalan embassy in the publication by Mexico City newspapers of full-page advertisements in which an expression of solidarity with Guatemala was espoused by 200 intellectuals has paid dividends for the Guatemalan propaganda office. In the 1 Jan 54 issue of Guatemala, the bulletin issued by the government information bureau, there is utilized the well-known Communist technique of reproducing previously placed Communist propaganda as if it were of a spontaneous and independent origin.
20. "In Guatemala the headline reads: 'Mexicans Take Stand with Guatemala'. The opening sentence of the text says on 1 Apr 53, Guatemala 'formally protested to the UN' developments it claimed proved that other unnamed nations sought to intervene in Guatemala. (actually the note in question merely called the attention of the UN to these developments and specifically said Guatemala was not making any formal protest.) The text further says, 'The press of that great American nation which borders both the US and Guatemala has recently published an extraordinary document bearing the signatures of Mexican leaders in the fields of education, science, literature, philosophy, government, and art.' This official Guatemalan bulletin then publishes the purported declarations protesting threats of intervention of the Mexican intellectuals and reproduces the names of the 200-odd signers and their titles, if any. Included in the reproduction of signatories was the name of Mexican sculptor Ignacio Asunsolo who had written Mexico City newspapers protesting the use of his name when the advertisements appeared there.

21. "That the Mexicans are concerned with the Communist influence in Guatemala is observed in the articles now appearing in the conservative newspapers there. El Universal, for example, published photographs of what they called the 'bestial tortures which are inflicted upon those who do not accept the Bolshevik tyranny' of Guatemala and displayed the wounds received by the Guatemalan Joaquín Gabriel ~~Fernández~~ Giovanetti who took refuge in Mexico in January.

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22. "La Prensa (New York) of 17 Feb. 54, published an article quoting a Honduran businessman by the name of Antenor ~~Robirosa~~ Pérez who had seen documents which prove that the Arbenz government is seeking to unleash an armed Communist revolution in Central America. Robirosa Pérez claimed he had proved that Arbenz has been using a Czechoslovakian spy to send requests to the Kremlin to obtain arms to carry out a revolution in order to force the five countries to submit to the Communist system. He claimed this spy has made three trips to Prague upon the instructions of Jorge ~~García~~ Granados, former Guatemalan Ambassador in Washington and who he says is a Communist. He added that in the accepted version that Russian submarines would carry arms to Guatemalan beaches and there disembark and thereby avoid using North American ships and a possible inspection. Robirosa said that the Guatemalan government is now bankrupt and has asked the USSR for a credit in pounds sterling in gold bars because currently the Arbenz government pays only its Communist employees and people are dying of hunger. Robirosa Pérez claimed the people are ready to take arms as soon as the order is given for a total uprising.

23. "The Guatemalan Congress was informed on 1 Feb. [54] that Guatemala's national deficit for 1953 is Q1,561,086. The report says the deficit is a result of the overestimation of the 1953 revenues."

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