

~~CONFIDENTIAL~~

1-1770

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

9 August 1954

MEMORANDUM FOR: Chief, WH Division  
SUBJECT: Guatemala; fabricated arms-cache plot.

1. Enclosed are two photostatic copies of the Carrera statement with regard to the fabricated plot to bury arms on the property of the United Fruit Company, together with two copies of [ ] memorandum rounding out the background of this affair and identifying a number of the individuals mentioned by name in the Carrera statement.

2. Either you or [ ] will recall that someone from your office talked to Congresswoman Bolton's administrative assistant on this subject some time ago. I believe it would be useful to have that same individual pass a copy of the Carrera statement to Mrs. Bolton's assistant with the request that it be brought to the attention of the Congresswoman.

[ ] *Mrs Bolton should be cautioned against revealing CIA as the source of this document.*

[ ]  
FRANK G. WISNER  
Deputy Director (Plans)

Attachments:

1. Two photos of Carrera Statement
2. Two copies of Dougherty memo.

Eduardo C. Carrera, the Superintendent of Agriculture for the United Fruit Company, on 21 May 1954 received confidential information from Fernando Carrera, a captain of the Guatemalan Army Intelligence Service (G-2) to the effect that the government of ex-President Jacobo Arbenz Guzman planned to bury arms of U.S. manufacture and packed in cases marked with United Fruit Company seals on property of the United Fruit Company in northeastern Guatemala.

According to the statements made by Carrera, the purpose of this maneuver was to subsequently discover these cases of arms, produce fake shipping documents further implicating the United Fruit Company, denounce, arrest, and probably execute Perez as the United Fruit Company employee charged with preparing a Fruit Company financed revolutionary movement, and, after showing these arms to diplomatic representatives of various countries, proceed to invest, pillage, and eventually confiscate the United Fruit holdings at least in northeast Guatemala.

Carrera warned Perez of the attempt against him and against the United Fruit Company because Perez had given financial and other aid to Carrera in the past. Carrera wished Perez to flee Guatemala and stated that he, Carrera, was too involved to do anything to extricate himself and desired nothing except to save Perez' life. Therefore, he did not reveal at this time the names of others involved in the plot though stating that "the Guatemalan government" was behind the entire affair.

Perez fled to the United States on 25 May 1954 after obtaining a false certificate indicating he needed urgent medical attention. He returned to Guatemala on or about 10 July after the fall of the Arbenz government and obtained the attached signed statement from Fernando Carrera on 16 July 1954. This was the first time that the names of others involved in this plot appeared.

The interesting point is that Carrera's original contact with President Arbenz was through Carrera's friend, Colonel Jose Domingo Arevalo Chaluleu, the Deputy Chief of the Presidential Staff, a cousin of former president Juan Jose Arévalo. According to statements made by Colonel Arevalo, he had also resigned his position as Governor of the Department of Quetzaltenango in 1950 for having refused to become involved in other Arbenz political intrigues. Besides being Deputy Chief of the Presidential Staff, Colonel Arevalo was also deputy chief of Guatemalan G-2.

Besides former president Arbenz and Colonel Arevalo, another high ranking official involved in this plot was Francisco Borazan, an intimate friend and secretary of Arbenz who is accused of having assassinated Colonel Arana, the former Minister of Defense, and thus having cleared the way for Arbenz to become president. Borazan,

though a presidential secretary, actually held quasi-cabinet ranking.

The plan as exposed to CARRERA was simple. Four groups composed of ten men each were to bury the arms in different parts of the United Fruit Company properties in northeast Guatemala. When all was ready, the leaders of the groups would receive exact instructions from Alaric BENIGNI and Carlos Manuel PELLECER, the latter being a member of the Central Committee of the Communist Party of Guatemala as well as Secretary of Conflicts of the Confederacion General de Trabajadores Guatemaltecos (CGTG). PELLECER is well-known for his terroristic activities with regard to "invasions" of private property by armed peasants. Another Communist leader active in this plot was Humberto FIGUEROA Carrillo.

Once the arms had been cached, it was planned that the Guatemalan Army Intelligence would be advised by Vidal A. MEJIA, a well-known Communist agitator and labor leader among the banana workers, to the effect that the United Fruit Company had hidden arms with the purpose of subsequently turning these over to a group of traitors who were being readied on the islands of Guanaja and Utila for an invasion of Guatemala. Other accusations would also be made implicating PEREZ Asturias, the Superintendent of Agriculture of the United Fruit Company, as being directly in charge of the sinister Fruit Company plans. Diplomatic representatives, the press, and others would be invited to see the weapons and the Communist labor leaders would then incite the workers to attack the company installations and assassinate key personnel. The government would then intervene in an apparent effort to arrest those responsible for destroying the installations. It was intended to force prisoners to "confess" the plans of the United Fruit Company to overthrow the ARBENZ government. Some of the workers actually participating in the attack on the Fruit Company installations would be executed in an effort to show the justice of the measures taken by the ARBENZ government.

On 11 May 1954, CARRERA received orders to journey to Puerto Barrios on the following day. Upon going to the Presidential House (offices), CARRERA was told that Colonel Eduardo WEYMAN, a cousin of President ARBENZ and a ranking member of the ARBENZ entourage, wished him to return the following day.

On 12 May 1954, CARRERA went to the Presidential Offices (Casa Presidential) where he was received by Francisco MORAIZAN, given one hundred quetzals (equivalent to one hundred dollars), and a card from the Ministry of Government to the International Railroads of Central America (IRCA) ordering the railroad company to furnish transportation to CARRERA.

CARRERA departed for Puerto Barrios on 13 May 1954 and met Humberto FIGUEROA Carrillo and Oscar A. LOPEZ when these two individuals

boarded the train at Morales, identified themselves and gave CARRERA instructions to proceed to Puerto Barrios where they would meet him in two days, take him to the United Fruit Company farm named "Abaca" and there introduce him to others. The meeting took place as planned and CARRERA was introduced to Ladislao SANDOVAL G., Jose Maria HICHO, and an individual named ARRIAZA. FIGUEROA Carrillo and Oscar A. GODOY also attended this meeting.

All the individuals mentioned above with the exception of CARRERA are Communists or closely collaborated with the Communists. FIGUEROA Carrillo, HICHO, and SANDOVAL G. were recently captured by the Guatemalan police and are being held under accusation of having been responsible for a reign of terror in Puerto Barrios and surroundings during the last days of the ARBENZ regime. These individuals allegedly murdered many defenseless anti-Communists.

CARRERA returned to Guatemala City, saw ARBENZ, delivered a map showing the places where the arms would be hidden, and was told that the arms, prepared for burying underground, would be turned over to him between 24 and 30 May 1954. ARBENZ gave CARRERA another hundred quetzales, a .45 caliber automatic pistol, two boxes of bullets and told him to await further instructions.

Subsequently, CARRERA received orders to depart for Bananera and Puerto Barrios on 22 May 1954, take delivery of the arms, and hide them as planned.

CARRERA went to the headquarters of the Army Supply Section (Maestranza del Ejercito), located at old Fort Matamoros in Guatemala City where he saw part of the arms being prepared. All were of U.S. manufacture and were being packed in boxes with such markings as U.F.C.O., Via Puerto Barrios and complete with shipping number.

CARRERA did not receive the arms as previously arranged and remained on a waiting status. On 30 May 1954 he was urgently called to the Presidential Offices where Major Jaime ROSENBERG, the head of the notorious Guardia Judicial (secret police), interrogated him in ARBENZ' presence concerning how the story had leaked out. ROSENBERG showed CARRERA a newspaper article dated 25 May 1954 in which the UFCO (United Fruit Company) categorically stated that it had never dealt in nor possessed arms and that, if the clandestine radio broadcast the truth when stating that arms would appear in Abaca and other parts, this could be nothing but a maneuver on the part of persons interested in harming the United Fruit Company. Though ROSENBERG is notorious for having personally participated in many tortures and murders of anticommunists, CARRERA somehow managed to convince ROSENBERG that he had not talked. Released, CARRERA returned to his home and awaited further orders. The ARBENZ regime then fell.

On 1 June 1954 the wife of PEREZ ASTURIAS discovered in one of his suits a letter postmarked 30 May and which had ostensibly been opened by PEREZ. This letter was from one F. MONTANEY, and no address was given. The letter was in double talk informing PEREZ that the "fiesta" was to be between 8 and 11 June and telling him that cases of whiskey and champagne had arrived. (Note: The whiskey and champagne obviously referred to arms and ammunition.) This letter had obviously been planted in PEREZ' home since PEREZ departed for the United States on 25 May, and the envelope bore a stamped impression very similar, if not identical, to that used by the National Palace.