

WH Sec. General

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CIA HISTORICAL REVIEW PROGRAM

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MEMORANDUM FOR DEPUTY DIRECTOR, PLANS

SUBJECT: Estimate of Situation in Guatemala

Communist Activities

The Communists continue to be very active in Guatemala and continue to receive Government support. Since the anti-Communist rioting in July 1951 the Communists have softened their overt campaign for immediate action in the political field, but they have forged ahead in the labor movement, succeeding in forming, under the guidance of Vicente LOMBARDO Toledano and Louis SAILLANT, a central labor organization comprising almost all the unions in the country. The Communist newspaper Octubre is published regularly and circulates freely. It has devoted its columns to anti-United States propaganda and to trying to aggravate the United Fruit Company's labor troubles. The Guatemalan Communists are small in number, but their influence in both government and labor is substantial.

Anti-Communist Activities

The Anti-Communist Party of Guatemala has been formed since the July rioting and has received strong support from the Catholic middle class and from the Indians. The university students have furnished leadership to form a substantial bloc in the Party. They have requested President Arbenz to dismiss the Communists holding positions in the Government, and to expell all foreign Communists. The movement continues to develop in all sections of the country.

Political Situation

President ARBENZ has shown no sign of changing the policy set by AREVALO as regards Communism. He has stated his opposition to the anti-Communist movement. Ramiro ORDONEZ Paniagua, leftist Minister of Government, has recently resigned and been replaced by Ricardo CHAVEZ Mackman. CHAVEZ is generally regarded as an anti-Communist. However, on 4 January 1952 he announced that the government had decided to ban all anti-Communist demonstrations. Colonel PAZ Tejada, who had studiously avoided attending all Communist rallies, but who was forced to attend the last one as the representative of President ARBENZ, has been replaced as Minister of Communications by Colonel Carlos ALDANA Sandoval, an Arbenz supporter. PAZ Tejada has been placed in charge of the construction of the highway to the Atlantic.

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Economic Situation

ARBENZ inherited a very black economic picture, and the labor trouble and subsequent threat to withdraw from Guatemala by the United Fruit Company has made the outlook even darker.

Activity of Political Exiles

At least three Guatemalan exile groups are plotting against the ARBENZ regime. They are, in probable order of strength:

a) a group headed by Colonel CASTILLO Armas, former Comandante of the Escuela Militar, and now in Costa Rica, who originally planned a January 1952 uprising. It has been reported that CASTILLO Armas has been offered aid by the United Fruit Company and a Peruvian group, possibly the government;

b) a group in Mexico headed by Colonel Arturo RAMIREZ who has been in exile since an attempted revolt in 1948. This group may be financed in part by American oil promoters;

c) supporters of General YDIGORAS Fuentes, unsuccessful presidential candidate of the 1950 elections who is now in El Salvador.

The CASTILLO Armas and RAMIREZ groups have been in contact, but so far no agreement has been reached. If the two groups were to unite, a successful revolution might result.

Conclusions

Communist influence in the Guatemalan government continues to be serious. Rumors persist in Guatemala that President Arbenz is ill with leukemia. Efforts to verify these rumors are being made. In the event that ARBENZ were forced to leave his office, Roberto ALVENADO Fuentes, president of the Guatemalan congress, could constitutionally assume presidency. Such an eventuality would further aggravate the situation in Guatemala because ALVENADO Fuentes is a strong Communist supporter having recently attended a Communist sponsored pro-peace meeting in Vienna.

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