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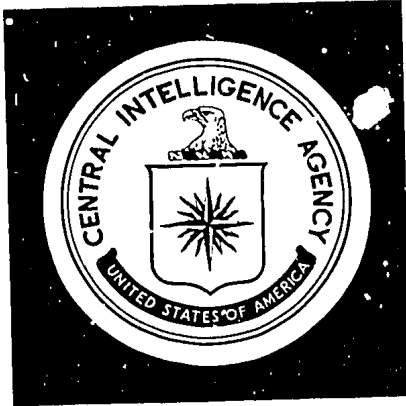
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DIRECTORATE OF  
INTELLIGENCE

# WEEKLY SUMMARY

*Special Report*

*Guatemala: Nation in Transition*

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# GUATEMALA

## Nation in

## Transition

**G**uatemala, a land of five million people in an area about the size of Ohio, has always been somewhat of an enigma. To the tourist, it is a spectacular land dotted with Mayan ruins and colorful Indian villages. To the armchair traveler, it is a menacing and violent country where ambassadors are assassinated, and extremists on the left and right vie in killing each other. The economist sees a basically healthy and expanding economy, but the sociologist observes a society that operates almost exclusively for the aggrandizement of a small upper class, leaving the multitudes to live in poverty and ignorance. The political analyst perceives the result of this deep social cleavage in a turbulent political system characterized by a growing estrangement between the intellectual and business elites. Indeed, a pessimist would suggest that the country is poised on the edge of an abyss.

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The reality is not so bleak; the country is in no danger of falling apart. President Carlos Arana, nearly half way through his term of office, is firmly in power and enjoys solid military support. Although the leftist insurgency has not been destroyed, it has suffered serious losses as a result of a vigorous government counterinsurgency program and has no chance of overthrowing the government anytime soon.

Arana has shown himself to be a master of Guatemalan political arts. He has been tough on his political foes, capitalizing on existing rivalries to divide and demoralize the political opposition. He has been careful to keep political tension below the critical point. He has discouraged many of the excesses of the extreme right and remains sensitive to international and domestic pressures to reduce the violence.

Having spent much of his time thus far learning the ropes and dealing with the security problem, Arana may be able to use his remaining two years to improve schools and medical services and to assist the rural poor to achieve a better life. This is not to suggest that vested interests will be displaced or that a new social order is just around the corner, but calls for reform and change are less likely to be equated with Communism. Some very necessary, though probably fairly narrow, reforms may be achieved, and, more important, a foundation may be laid on which future administrations can build.

Of perhaps even greater significance for Guatemala's future will be Arana's preparation for the 1974 elections. Already, there are a number of serious candidates. Arana must first decide whether to strengthen Guatemala's shaky democratic tradition by holding the elections, or whether his own ambitions will require that he have more time in office. If the elections are held, Arana will have to decide whether to run<sup>25X1</sup> candidate, perhaps a military man, who will continue a moderate reform program, or whether to back the candidacy of Mario Sandoval

That decision alone could



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determine the course the country takes for the next decade.

### Political Polarization

When, in July 1970, President Mendez turned his sash of office over to Colonel Arana, it was only the third time in nearly 150 years that a Guatemalan president had completed his term of office, and the first time that a freely elected president of one party turned power over to the opposition. It should have been a day of great joy for political moderates who had long hoped for some augury of political maturity and respect for democratic institutions, but it was not. Arana was the champion of the far right, with gory credentials as an architect of the counter-terror approach to subversion. He had run a somber law and order campaign and had garnered only 42 percent of the popular vote. He was a minority president, who, many felt, possessed neither the brainpower nor the temperament for the job.

While the moderates were apprehensive, there was rejoicing on the far right and, strangely enough, on the extreme left as well. The right was itching for a no-holds-barred counter-terror campaign that might once and for all destroy the Communist and leftist apparatus. The left welcomed the advent of what it saw as a more narrowly based regime that, through its own ineptness and repression, would arouse sufficient discontent to give the insurgents a degree of popular support that had thus far eluded them.

As president, Arana was a disappointment to both extremes. The guerrillas, in particular, saw little profit in letting the government play at reform and stepped up terrorist activity to provoke repressive action.

### The Insurgents

Arana was not dealing with a mere rash on the body politic but with a full-blown disease. He was facing neither a group of radical students who thought it fashionable to become weekend guer-



rillas nor transient disturbances that could be brought to an end by a few arrests and a few concessions. Instead, Arana was up against a determined, disciplined, experienced, and adequately funded terrorist movement that had existed for over a decade and had taxed the energies and resources of three previous administrations.

The pro-Soviet Communist Party with its action arm and the Cuban-oriented Rebel Armed Forces are the two major subversive groups. The Communists, with a hard core of 500-700 and probably twice that many sympathizers, accept guerrilla warfare and terrorism as important tools in the struggle for power. They agree, too, that there is tactical utility in kidnaping for ransom and occasionally assassinating government officials and the party's action arm [redacted] engages in these activities. The party,

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however, rejects the view that this alone is sufficient to overthrow the government. On the contrary, it places primary attention on organization of worker-peasant-student fronts as a broadly based political framework for guerrilla activity. Having tasted political power under Arevalo (1945-51) and Arbenz (1951-54), the Communist leaders also emphasize the need to infiltrate and work through the legal political parties.

The Rebel Armed Forces, on the other hand, has largely ignored, indeed scorned, this type of political activity. It espouses a more simplistic approach that has had considerable appeal for its younger and less-sophisticated membership (ap-

x1 [redacted] This group has held as an article of faith that full-scale guerrilla warfare is the best and quickest road to power. As a first step, it has stressed the use of terror to cripple the government, hinder its security forces, and gain publicity. The general public, it believes, will be forced to become involved as government counter-terror comes more and more to affect the lives of the people.

The guerrillas provided a most serious threat to stability from 1963 to 1966 and again in the early days of the Mendez regime. From late 1966 through mid-1967, the military launched a ferocious anti-guerrilla offensive that not only set the insurgents on their ear, but precipitated a blood-bath to which many innocent people fell victim. Insurgency remained at a relatively low level from 1958 to mid-1970 as the insurgents devoted themselves to reorganization, resupply, and recruitment. Nevertheless, it was during this period that some of the most spectacular terrorist operations occurred. The murder of US Ambassador Mein during a kidnap attempt in August 1968 and the murder of West German Ambassador Von Spreti in April 1970 drew world attention to Guatemala. Terrorist activity flared at the height of the 1970 presidential campaign as the insurgents attempted to embarrass the government and force cancellation of the elections. The Arana victory and the Von Spreti incident led to an undeclared truce that lasted a few months. By

#### Arana on Law and Order

*I wish to make clear...that my becoming chief executive would signify in one word: order. Order in all aspects of life. Order at the cost of any sacrifice and above any obstacle.*

—accepting nomination, Feb 69

*Arana and Caceres Henhoff (vice president) offered peace, order, and tranquility to a desperate people who lived in fear and who were longing for... security. They will keep their promise.*

—after declaring state of siege, Nov 70

*I have tried to save the country by respecting all its institutions and laws.... But perhaps our enemies have underestimated us, have confused serenity with tolerance, and tolerance with weakness. They are totally mistaken.*

—address to the nation, May 72

mid-September 1970, however, bombings, kidnappings, and murders had increased dramatically. By early November, Arana was coming under very heavy criticism for the drift and lack of direction in his handling of the internal security situation. On 13 November, he finally took up the gauntlet. He put the country under a state of siege and unleashed the security forces.

The security forces floundered at first, appearing ridiculous as they picked up mini-skirted girls and long-haired youths on downtown streets, pulling down the hems of the former and shaving the heads of the latter. Nevertheless, it was not long before the security forces settled into their job. The terrorists began to suffer important defeats, losing key leaders, safe-house facilities, supply centers, and arms caches. The security services, however, were not overly preoccupied with the niceties of law, and their scatter-gun tactics resulted in some unjustified killings. Moreover, with the resurgence of rightist terrorist groups, violence climbed far above the levels that had precipitated the state of siege.

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The state of siege restricted political activities and suspended certain constitutional guarantees, but there was no curfew and the life of the average Guatemalan was little affected. Then, too, political violence had become so much a part of life that its increase did not immediately penetrate the popular apathy. But, as the months went by, public support of the government crackdown began to evaporate. Restiveness began to grow among students, professors, church officials, the bar association, and the political opposition. Even some of Arana's own supporters began to suggest the need for a change; the cure had become more painful than the disease.

Arana was not insensitive to this changing domestic mood and was even more concerned by criticism in the foreign press. He began to discourage the extra-legal activities of the right and, if he did not succeed in eliminating them, at least kept them in check. By November 1971, Arana concluded that he had squeezed all possible polit-



ical mileage out of his get-tough campaign. He declared his pacification program a success and lifted the year-old state of siege.

In a political sense the pacification program was, indeed, a success. Arana had seriously weakened the subversive movement without causing irreparable cracks in the body politic. The tactical losses suffered by the guerrillas had far exceeded any strategic gains, and they were in need of a period of recuperation. Government pressures, moreover, appeared to have forced the insurgents to shift some of their attention from Guatemala City to the rural areas, particularly the Peten, Guatemala's sparsely populated northernmost province. Since tension over violence in Guatemala appears directly proportional to incidents in the capital, this alone has solved some problems for the government.

On the other hand, the guerrillas retain their organizational integrity and the capacity to engage in selected acts of terror. The result could best be described as a standoff in the government's favor. The government has not destroyed the terrorists; the terrorists have not even come close to overthrowing the government.

What Arana had succeeded in doing, therefore, was to remove much of the accumulated pressures from the right and the left and to buy time to pursue, if he chooses, more fundamental and far-reaching social and economic policies. Although the state of siege has ended, there is no sign that security forces will become less vigilant or less aggressive. The government will continue to try to keep the guerrillas off-balance and on the run. The Castroite Rebel Armed Forces, of course, is not likely to admit the bankruptcy of its guerrilla warfare strategy nor forswear violence. It may take greater care that its activities do not become identified in the public mind as ordinary criminality. It may consider a more sophisticated political approach designed to broaden its base of support and may once again opt for closer ties with the Communist Party. The Communists, for their part, are likely to be more convinced than ever of the importance of a political program and take great pains to avoid provoking the government at this time.

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### The Un-Revolution

Guatemala's political problems do not begin and end with the insurgency movement. There are the social conditions that spawned it, the political conditions that perpetuate it, and the slim possibilities for meaningful change. The facts are grim. A majority of Guatemalans are illiterate, subsistence farmers mired in poverty. Their diet is inadequate, their education, health, and welfare services are among the poorest in Latin America. At the core of the problem are the Indians who make up half the total population and whose traditions lead them to resist social integration and modernization. Pervasive rural poverty also reflects the failure to develop peasant agriculture. Growth in agricultural production has been concentrated in a few export crops that are raised on a few large, modern farms. The small holder lacks credits, education, extension services, and incentives.

Guatemala, moreover, provides a striking contrast in ideology and political style with neighboring Mexico. Mexico proclaims itself the land

of the revolution, and Mexican governments, progressive or not, maintain that they are fulfilling and safeguarding the 1910 revolution. Guatemala, on the other hand, is very much the land of the counter-revolution, and Guatemalan governments, even when they are not totally reactionary, find it necessary to declaim "it won't happen again here." If prevailing political attitudes are becoming dated in Mexico, they are shopworn, indeed, in Guatemala.

Guatemala, of course, had its own revolution, which began in 1944. As the upheaval progressed, it took on all the earmarks of a classic revolution bent on overturning the traditional power bases and radically remolding society. First under Juan Jose Arevalo and even more under his successor, Jacobo Arbenz, the leadership of the revolution fell under Communist influence. In 1954, when the government was about to give recently acquired Czech arms to peasants and workers, a military coup by Colonel Castillo Armas cast out Arbenz. Castillo Armas' overturning of land reform efforts and restoration of the old elite to its usual place left a bitter heritage—violence in politics.

### Arana on Development

*We want to be very clear. This government has one fundamental objective: to better the social conditions of the working population.*

—inauguration speech, Jul 70

*We are not carrying out the pacification of the country only with arms in hand, but we are taking education to the countryside, bread to the farms, health to Guatemalans, prosperity through work with better salaries.*

—press interview, Jun 71

*I offered to work in order to do as much as possible to alleviate the most pressing needs of the poor people. I have visited almost every municipality, listening to complaints, investigating needs, and have understood the people's hopes and desires because I am part of that people.*

—address to the nation, May 72

The political scene today has been greatly affected by the extremes the nation has experienced since 1944. On the one side are the *revolucionarios* who glorify the 1944 revolution and the beginnings of the modernization of society under Arevalo. On the other side are the *liberacionistas* who view the overthrow of President Arbenz as the salvation of the country from Communism. Reformers have been indiscriminately considered Communist by the conservatives, whose inflexibility in turn makes the liberals more willing to collaborate with the extreme left.

### The Mendez Administration

From 1966 to 1970, Mendez, a liberal, democratically elected president, made a major effort to arrest the polarization of Guatemalan politics by establishing a dialogue between his government and the power elite. He was caught, however, in a cruel dilemma. On the one hand, he wanted to bring about change and reform to

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President Arana visits the countryside.

prevent an explosive buildup of discontent. On the other, his political survival depended on those who were opposed to even the most modest reforms, and he had to convince the landed gentry, businessmen, and the army that he was not working against their interests.

Mendez had been permitted to take office on the understanding that the military would have a free hand in dealing with the insurgents, and his liberal image was marred by the indiscriminate use of force that resulted. When, midway through his term, he finally brought the military to heel, he had come to accept the impossibility of his achieving far-reaching reform. Although he half-heartedly advocated social and economic measures, his obsession became the survival of his government. He began to believe that he would make a major contribution to Guatemalan political stability if he could only complete his term in office and preside over the election of a constitutional successor. That his successor was the representative of the far right was the final irony.

#### Arana's Government

From the beginning of his administration, Arana surprised his opponents by being more than a front man for the oligarchy. His stance on the insurgency was clear, but even in this he showed an awareness that previous governments had been handicapped by ineptness in public relations and an inability to win public confidence. More important was Arana's concern with economic development and social reform. He seemed to realize that economic and social underdevelopment provided fertile ground for extremism and violence. Unlike Mendez, Arana was in a position to talk sense about Guatemalan development needs, to take positions at variance with conventional political orthodoxy, and to get away with it. His reputation and career made it virtually impossible for the business community or the large landowners to tar him with the Communist label. Moreover, Arana enjoyed widespread support among the armed forces. He did

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not have to worry about a coup nor dissipate his energy trying to maintain his political balance.

Even before his inauguration, Arana pledged greater technical assistance and bank credits to farmers, more job opportunities and better educational and health facilities for the masses, administrative reform and improvement of the civil service. When he came into office, he quickly set the tone of his administration by moving to fulfill those pledges. In addition, Arana began implementing the comprehensive five-year development plan prepared by the Mendez government.

Pursuant to this plan, the Arana government has taken steps to increase domestic tax revenues

and its investment budget. Stress has been on social services and agricultural development. Administrative reform legislation has been passed, and the government has embarked on an ambitious rural electrification and rural public health program. The government also is promoting agricultural research and reforming the rural credit system.

Arana has not been content with a purely mechanistic approach to development problems. He has made a major effort to visit the departments and municipalities to show his concern for the welfare of individual citizens. From this, he has, of course, reaped direct political benefits: good publicity, high exposure, and a gain in



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personal popularity. But there has been more than tinsel. Arana has used the tours to begin a dialogue with rural leaders, learning first-hand about the needs of the small communities. He has appeared genuinely shocked at some of the conditions he has encountered, such as rural wages of 35 cents per day.

Despite all that has been done, it is far too soon to pronounce the problem solved. Arana has not abandoned the powerful vested interests, which form a tightly knit and highly conservative oligarchy. He will undoubtedly achieve sufficient progress to prevent any significant increase in the insurgents' popular appeal and, with the state of siege ended, he may pursue an even more vigorous reform program, but it is unlikely that he will undertake the kinds of reforms that will seriously threaten vested interests. The Arana government may prove just as reluctant as previous administrations to make the politically difficult decisions that would accelerate the rate of social change. Even if such a course were attempted, implementation would be constrained by the shortages of managerial skills and money, and by opposition from the political right.

Arana may go down as a transitional figure in Guatemalan political history. He is a product of the army and not the oligarchy. While the Guatemalan Armed Forces lack the reformist zeal of the Peruvian military, they show a growing sympathy for the plight of the impoverished. The oligarchy tries to keep alive the dichotomy between *liberacionistas* and *revolucionarios* and to woo the soldiers away from any thought of tinkering with the country's basic socio-economic structure. Nevertheless, Arana talks of himself as one of the "people," and his reformist impulses appear to strike a responsive chord among many of the junior officers. So long as this is the case, the social, political, and cultural integration of the lower income groups into the mainstream of national life will probably keep pace with "effective demand," the rising expectations of the people. If the armed forces will not serve as the engine of progress, they will at least not be cast in the role of a caboose with its brakes on.



The Old ...

#### Party Politics

Even if Arana's commitment to economic and social development is sincere, he may not be similarly committed to building a democratic tradition, strengthening the country's political institutions, or creating a viable party system. Indeed, problems associated with Guatemala's political development are more likely to cause difficulty in the coming months than any debate over social policy.

First, the opposition parties are operating under severe constraints, and the situation is not likely to improve. Although Arana likes to think that he is above politics, certainly above party politics, he has never been entirely sold on the concept of a loyal opposition and, in fact, may consider the two words mutually exclusive.

Second, executive-legislative relations may worsen. At present, congress is a rubber-stamp organization. The rightist coalition holds 37 of the 55 seats. Continued cooperation, however, hangs by a thread, and that thread is the relationship between Arana and the president of congress, Mario Sandoval. Arana is not timid in the exercise

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of power and has the strength and determination to bind the system to his will. Should the two men fall out, Arana might decide to operate without the congress.

Third, the 1974 elections are already casting a very large and very dark cloud over the political horizon. Arana is not clear who should be his successor. It is, of course, in his interest to play his cards close. There are indications that he will not support Sandoval—the man who seems most determined to run. He may as a matter of fact put forward his own candidacy.

Apart from the illegal Communist Party, there are five basic political parties. On the right, the National Liberation Movement, run by Sandoval, and the Democratic Institutional Party form the government coalition. The latter is very much the junior partner and rather unhappy at

and the Democratic Revolutionary United Front, an unregistered grouping around Manuel Colom Argueta, the popular young mayor of Guatemala City.

It is a tribute to Guatemalan courage and stamina that there are any political parties at all. Local officials and party leaders live harsh and frequently brief lives. Those on the right are in danger of assassination by the insurgents; those on the left are in similar danger from the right. Political opponents have often found it cheaper and more convenient to rub out or scare off the opposition than to stuff the ballot box.

The parties of the left have had a particularly hard time since Arana came into office. Their activities were restricted by the state of siege, their organizational efforts hamstrung by the government-controlled electoral registry and their members subjected to personal intimidation. Last December, the governing National Liberation Movement, with a minority of delegates to a nationwide conference of mayors, used its muscle to elect a majority of officers. In the March municipal elections, the party not only kept up a Guatemalan practice whereby the government wins a majority, but bettered any previous record. With local control in its hands, the party now can manipulate the electoral machinery for the 1974 presidential and congressional elections—provided the military keeps its hands off.

Difficulties for the Revolutionary Party began soon after it lost control of the presidency. For almost two years, from July 1970 until February 1972, the government-controlled electoral registry kept the party from electing a new leader. In February, Carlos Sagastume won the post over his more leftist opponents with the behind-the-scenes help of Mario Sandoval. The result was to divide the party and make more difficult the formation of an alliance with the Christian Democrats.

With the Revolutionary Party in disorder, the government is turning its attention toward the Christian Democrats, who recently made the mistake of criticizing too loudly Arana's decision to pay \$18 million for the US-owned utility

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the cavalier treatment it is accorded by Sandoval. It remains in the coalition for want of anywhere else to go. On the left are the Revolutionary Party, headed by Carlos Sagastume; the Christian Democratic Party, led by Rene de Leon Schlotter;

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company that provides Guatemala City and environs with electric power. The party leaders, while applauding the decision not to renew the company's fifty-year concession, argued that since the cost to the Americans had been under \$1 million, Arana had gone too far in his generosity. They hinted that Arana was retaining some of the money for himself. Arana shortly thereafter made a nationwide radio and television address during which he singled out the Christian Democrats for criticism, and it now appears the electoral registry is taking a close look at charges of irregularity leveled by a dissident Christian Democratic faction against party leader De Leon.

Although Mayor Colom is so far to the left as to be anathema to the government coalition, it may not block his efforts to obtain official recognition for his party. This generosity would reflect the government's interest in further fractionalizing the left.

**A Presidential Election**

The greatest potential for trouble, however, may come not from government harassment of the left but from within the government camp. Mario Sandoval has been making it clear that he wants to be the next president, and many in his party regard the Arana administration as a stage to total political domination by Sandoval's National Liberation Movement. Arana and probably a majority within the military do not regard a Sandoval candidacy as being in the best interests of Guatemala.



Mario Sandoval

scene today are less likely to unify a divided country.

Both men would like to avoid a showdown as long as possible. Sandoval recognizes the thinness of his military support and knows that he cannot win against Arana without such backing. Willing for the present to trade on his prestige as party and congressional leader, he has drawn back from a confrontation. Arana, for his part, desires to keep control of the congress and the National Liberation Movement and realizes that an attack on Sandoval would split the party. Nevertheless, unless Arana changes his mind or Sandoval is cured of presidential fever, a collision seems inevitable.

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