

RYBAT

VIA: AIR
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DISPATCH NO. HGG-A-612

~~CONFIDENTIAL~~
Security Information
CLASSIFICATION

TO : Chief, WHD
FROM : Chief of Station, Guatemala
SUBJECT: GENERAL— PBSUCCESS

DATE: JAN 6 1954

INFO: Lincoln

SPECIFIC— Letter of 31 December 1953 Addressed to Ambassador John E. PEURIFOY

1. Enclosed is a self-explanatory letter addressed to Ambassador John E. PEURIFOY by an American citizen, former resident in Guatemala in which it is alleged that President Jacobo ARBENZ Guzman is a "true believer of the Soviet policies and politics." Neither the letter nor the contents should be made available to any outside source.
2. The letter also refers to alleged conflicts involving ARBENZ, Alfonso MARTINEZ, head of the Departamento Agrario Nacional (DAN), Francisco MORAZAN, Secretary to ARBENZ, and Carlos Manuel PELLECCER, Communist member of Congress.
3. The ultimate source, is considered to be somewhat unreliable. However, he is known to be friendly with President ARBENZ and possibly did attend an intimate dinner at the Presidencia as related in the attached letter. is known to be associated with Mrs. ARBENZ in the cotton gin business known as Algodonera S.A. and to have recently had trouble with agrarristas on some of his landholdings.

[George L. Tranger]

Enclosure:
Letter as noted

6 January 1954

GLT/cmh

Distribution:

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Cable KENAF

Telefono 9296

December 31, 1953

The Honorable John E. Peurifoy
United States Ambassador to Guatemala
Guatemala City
Dear Sir:

The following information is to be considered confidential and in no case shall the source be compromised.

The source of this information is [] is known to you and may have disclosed all or part of the following information. However, the information is of such importance and is so significant that I shall bear the risk of repetition.

[] is, or rather was, a very close friend of the president. Prior to his becoming president, they both played on the same polo team and were very close friends. Last week he and his wife were guests at the presidencia for dinner. They were the only guests. Following dinner, the two men talked until two o'clock in the morning. The most important fact brought out in the meeting was that apparently, there is no longer any doubt that the president is a true believer of the Soviet policies and politics. He believes that the future of Guatemala will be guided by the Russian star. He brought out magazines and pictures showing what wonderful conditions existed in Russia, he stated that the Soviet Union was building wonderful houses for the workers and the workers had all the money that they could possibly use. He believes that the workers are very happy and contented with their lot. He brought out drawings, not pictures and insisted that these factories actually existed.

This dinner followed the visit of the Russian commercial agent that visited the city recently. He stated that the Russian offered to buy all of Guatemala's bananas at \$250.00/ton. He admitted that they had no boats to transport them to Russia.

It appears that the above will remove any doubt that has existed as to what actually is the president's ideas and to which way he is heading.

Additional information from the same source:

Alfonso Martinez, had a very heated argument with the president over the recent actions of Pellecer. He is reported to have told the president that he shot a bigger man than Pellecer and he wouldn't hesitate to shoot him.

Francisco Morazan, secretary to the President and one of the party that shot Arana, also had a very heated argument over Pellecer as his farm had just been invaded due to the encouragement and activities on the Pacific Coast. He also threaten to shoot him if he did not desist in encouraging the invading of the farms.

Pellecer has boasted that the entire Pacific coast will be invaded by 8 Jan. 1953.

300 tons of arms has been reported to have landed in El Salvador. They were delivered to the Guatemaltecos in exile there. This groupe is reported to be quite strong and is in close liason with a strong group in Honduras.

The above is supposed to be known to the army here and the talk is that if anyone is going to overthrow the government, they ha better do it here and get the control rather than permit the exiles to do it.

Very truly yours,

[]

C
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