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VIA:	AIR (SPECIFY AIR OR SEA POUCH)		DISPAICH NO. HGG-A-613	
		Security Information	JAN 6 1954	(
	50)		JAN 6 1934	

TO : Chief, WHD

OM : Chief of Station, Guatemals

DATE:

INFO: Lincoln

SUBJECT: GENERAL— PBSUCCESS

specific— Psychological Barometer Report (period ending

2 January 1954)

Reference: HGG-A-593

1. The nature and frequency of reports and rumors collected during the reporting period indicates that the feeling of expectancy previous noted is definitely spreading. Widespread hopelessness and apathy have by no means been entirely dissipated, but there has been a significant change in recent weeks. It appears that the majority still feel that external forces will be the deciding factor in any movement designed to remedy existing conditions. However, certain items cited below illustrate the possibility that the army and/or individual officers may be inspired to overthrow the present government and seize control thereof before exiled groups are sufficiently well organized to do so.

A source of unknown reliability who is known to be personally friendly with President ARBENZ stated that 300 tons of arms were recently landed in El Salvador for the use of exiled Guatemalans. Source claimed that the army is well aware of the build-up of exiled groups and is considering the desirability of deposing ARBENZ before the exiles can do so.

(Possibly true; may be re-used)

On 30 December 1953 the subject of HGG-A-488 admitted to an Embassy officer that he was connected with (unidentified) individuals carrying on subversive activities in Guatemala. He claimed to be in contact with CALLIGERIS who recently asked him to take charge of the anti-Communist student movement in a three month period publicity campaign which would precede military action against the ARBENZ government. A detailed memorandum of conversation between the source and an Embassy officer is submitted under separate cover.

(Information possibly true; may be re-used if sour is thoroughly protected)

c. Opposition personalities who have previously been relatively inactive continue to appear at the Embassy to declare themselves as oppositionists and asking how they can cooperate to remedy the situation or what/when the U.S. government will take action to check Communism in Guatemala.

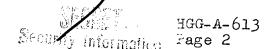
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d. A rumor is circulating to the effect that President ARBENZ favors Colonel José Angel SANCHEZ, Minister of Defense, as his successor to the presidency. Col. Carlos Enrique DIAZ, Chief of the Armed Forces, is reported to be furious since he hopes to be the next president. Source expressed the belief that DIAZ may be tempted to precipitate a revolution in order to assure his own succession to the presidency. It is rumored that he has already made overtures to some (unidentified) army officers.

Source Esmeraldite; possibly true; may be re-used)

e. Unconfirmed reports continue to state that ex-president Juan José AREVALO is visiting a number of Latin American countries for the purpose of soliciting support for Guatemala and to defeat the U.S. proposal to investigate Communism in the Americas during the impending meeting of American States at Caracas, Venezuela.

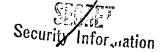
(Source Esconson 2 and others; possibly true; may be re-used)

- f. In confirmation of our previous reports on the attitudes of students, ESSENCE has submitted a report which states that university students are overwhelmingly anti-government and anti-Communist in sentiment but unfortunately 80% are apathetic and politically inactive. The small but militant Communist group among the students obtain most of their recruits from uneducated, naive first-year students. However, by the second or third year most of these recruits lose their taste for political activity and join the inactive majority. The anti-Communist faction is comprised largely of third and fourth year students but this group is likewise hampered by the prevailing apathy. Both ESSENCE and HEDIGER expressed the belief that it will be extremel difficult to overcome the problem of apathy and they doubt that propaganda alone will dissipate it. However, renewed activity and reorganization of the Comité de Estudiantes Universitarios Anticomunistas (CEUA) probably will be effective in dispelling some of the present disinterest.
- g. A source of questionable reliability who claims to have well placed contacts in the National Palace claims that Victor Manuel GUTIERREZ has received word that the Soviet Union is prepared to grant Guatemala a \$15,000,000.00 non-interest loan to relieve the existing economic crisis. Source also claims that GUTIERREZ has cautioned ARBENZ to suggest to Russia adequate measures to conceal the transaction from the "North Americans."

 (Rumor; possibly true; may be re-used)
- h. The same source referred to in b, above, declared that the Communist high command in Mexico has ordered a series of disturbances in El Salvador and Nicaragua beginning 15 January 1954 as a method of defending the Arbenz government (Comment: presumably source meant that preoccupation with internal affairs would prevent the mentioned governments from participating in anti-Guate mala activities).

(Rumor; possibly true; may be re-used)





- i. The same source mentioned in the two preceding paragraphs also claims that José Manuel FORTUNY took with him to Russia a request from ARBENZ for Soviet support of his administration, the support to include arms, instructions to all Communists in America to render moral and/or material support to the Guatemalan government in its struggle against imperialists, and defense of Guatemala in the United Nations.

 (Rumor; possibly true; may be re-used)
- j. When queried as to the degree to which revolutionary and invasion rumors are circulating among the lower and lower-middle classes, Esconson-2 stated that the feeling that a change is imminent is widespread. However, he asserted that people in these categories are being extremely cautious in their conversation. They reportedly fear retaliation and hesitate to become identified as subversive. As previously reported they will not discuss such matters except among close friends feeling that mere conversation or the repetition of rumors, if overheard by government agents, is sufficient to invite government suppression.

(Possibly true; may be re-used)

k. Esconson-2 also reports that the army continues to have difficulty in meeting its financial obligations. Officers and troops receive their salaries on time but vendors who supply subsistence items have not been paid for two months at one of the principal army garrisons in Guatemala City.

(possibly true; may be re-used)

George L. Tranger,

6 January 1953

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