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THIS IS UNEVALUATED INFORMATION

SOURCE US citizen who has been engaged in business in Guatemala for over 20 years

He makes periodic reports to his associates in the US, and the following is a digest of news notes contained in a report dated 23 Nov 53:

1. "The Guatemalan government put on a big show November 15 [1953] when approximately 215 thousand acres of the expropriated lands at Tiquisate were distributed to 23 thousand recipients. In an effort to assure as big an attendance as possible, the information chief of the National Agrarian Department sent out invitations to all prominent people, including newspaper directors, inviting them to accompany the official party to Tiquisate 'to attend the delivery of uncultivated lands of the Compañia Agricola de Guatemala in conformity with Decree 900 (Agrarian Reform Law).' The guests were invited to leave Guatemala City, Saturday, 14 Nov 53, at 2:00 p.m., one day ahead of the actual distribution. On Sunday afternoon (15 Nov 53) distribution of the lands began under the direction of the Communist leader Carlos Manuel Pellecer, who acted as sort of a master of ceremonies. He told the assembled crowd: 'This is the most important expropriation that the National Agrarian Department has carried out so far in spite of the fact that the company has turned to the Department of State in Washington to make claims that have no right to exist. Now we are delivering according to law lands of this hated company whose claims have been rejected and will be rejected by the people and the government of Guatemala.' Previously Pellecer said that lands belonging to the Guatemalan Ambassador in Washington, Guillermo Toriello, had been expropriated from his farm Tortolita and that 15 caballerias have been claimed from the Cajón finca belonging to President Arbenz, which, he said, would be distributed shortly within the provisions of the law. Others speaking included Col Alfonso Martínez, Chief of the National Agrarian Department in representation of President Arbenz. He called upon the people of Guatemala to 'remain united to defend ourselves against the North American blackmail which threatens our country.'
2. "Julio Soto, Secretary General of the Peasants' Union, made an extensive harangue condemning foreign intervention and also argued for a united front. Other speakers included Alfonso Bauer Paiz interventor of the Light Company and the IRCA; Ernesto Opavano; Jaime Díaz Rozzotto, and others whose discourses according to Prensa Libre coincided in their condemnation of foreign

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Juan Cuéllar Lorenzana, of the General Workers Confederation said: 'With the expropriation of the lands of the United Fruit Company only a tentacle of the imperialist octopus is done away with, and there remains a memorandum that we will reject energetically although it will present us as Communists.'

3. "No details are presently [23 Nov 53] available on the manner in which the distribution was carried out, but Fransa Libre of 16 Nov 53 says it was calculated 'that more than 23 thousand peasants and agricultural workers of Esquintla zone will indirectly benefit.'
4. "This distribution of land is emphasized by the pro-government Nuestro Diario as being the largest division carried out so far. Nuestro Diario commented: 'the delivery of these lands must be taken as a true triumph of the October Revolution in its fight to overcome the economic backwardness of Guatemala and to improve the standard of living of the great masses of people who lack land. On the other hand, it must be recalled that in the correct application of the Agrarian Reform, the authorities ran against a systematic campaign that tried to put all kinds of obstacles in its way. As a specific example, the Compañía Agrícola de Guatemala resorted to all means to prevent it, even to the extreme of interesting high officials of the State Department who through this agency presented a diplomatic complaint in support of the fabulous foreign company.'
5. "Nuestro Diario previously said the Compañía Agrícola de Guatemala will receive an indemnity of Q594,572 in connection with the expropriation. The National Agrarian Department claimed to have received a great many congratulatory messages from all the 'democratic organizations of Esquintla.' Nuestro Diario predicted that the peasants will cultivate on the plantations cotton, corn, beans, rice and sesame seeds, and there are some interested in introducing kenaf to meet the national demand.
6. "~~Julio Soto~~, President of the local agrarian committee, will proceed with the actual distribution of the land.
7. "~~Guillermo Palmieri~~ of the Tourist Office in representation of ~~Charnaud MacDonal~~d spoke for the PRG; Jaime Pérez Razzotto spoke on behalf of the Renovacion Nacional; Arnulfo ~~Mejía~~ Bardales for the PAR; and Carlos René ~~Valle~~ in the name of the Communist leader ~~Fortuny~~, who was in Moscow, for the PGI.
8. "El Espectador noted the absence or the relative unimportant position given local officials and the control that Pellecer exercised over the peasants. During the course of the ceremonies Pellecer announced the foundation of a committee to fight against foreign intervention and the defense of the national sovereignty and peace which the Communists have been organizing on a large scale throughout Guatemala in an effort to get written support of the government against the US Aide Memoire.
9. "The CGTG, the General Labor Confederation, disclosed that the Guatemalan Ambassador in Washington, Toriello, was instructed by the government to vote against the US proposition before the Organization of American States, which would place upon the agenda of the next Inter-American conference at Caracas the question of united action against Communism. The CGTG informed its membership that this proposal was 'nothing more than an imperialist act against our democratic liberties and the national interests. The government of Guatemala, which has practiced an invariable democratic policy and in respect for the auto-determination of the people, instructed our ambassador to vote to block this policy. Before the advances of the revolutionary movement in Guatemala, before the new steps which the democratic forces and the government of President Arbenz have taken to win the national independence to encourage economic progress and independence of the country and to assure the popular well being, the North American imperialists have redoubled their interventionist attitude and their threats to the sovereignty of Guatemala and their support to reactionary groups and organizations of conspirators.'

Guatemala's relations with the US are poor and asks what has Guatemala done that has led to the worsening of those relations with the US. It answers the question itself, saying that 'Guatemala has done nothing to worsen its relations; it has limited its use of sovereign powers, to change its form of government to eliminate a feudal dictatorship in order to establish a regime that benefits 99 per cent of the people...and the question is simple, but it is not the Guatemalan people who now are going to correct themselves now that they have found the good road.'

11. "The symbolic expropriation of the United Fruit Company lands in Tiquisate, the organization of the campaign of the protection of national sovereignty and the explanations and comments appearing in the pro-government press of Guatemala about relations with the US all indicate that the Guatemalan government is preparing itself and the people of Guatemala for a rejection of the US Aide Memoire of 28 Aug 53.
12. "Francisco Fernández Foncea is continuing his fight to be recognized as Secretary General of the Partido Acción Revolucionaria, but the courts have not yet ruled on his case. In the meantime, Impacto of 15 Nov 53 reports there are no funds in the Party treasury to pay employees who were let out in the reorganization that followed Foncea's ouster. Foncea said that he would continue as a member of the PAR regardless of what the court decided.
13. "In an effort to maintain the price of meats, the municipality of Guatemala City took over the slaughtering and distribution of meat in the city after private butcher shops had raised the price of meat. The decision of the municipality to take over the meat distribution was supported by the Ministry of Economy. Private butchers said that they would be unable to sell the meat at 16 cents a pound and had been demanding 19 cents. The butchers claimed that their suppliers had raised the price because the price of cattle had gone up. The wholesalers admitted they violated the legal prices but only because their prices had increased. The wholesalers said that they were obliged to sell at an illegal price because the cattle growers were demanding what they called a just price. Officials of the Ministry of Economy argued that the price of meat should be lowered because there is now more meat than in previous years. Cattle raisers blamed their high costs on the incapacity of Guatemala to supply itself internally and had to import meat which must pay taxes and other expenses. Large shipments of cattle have been coming in from Honduras and El Salvador for the past few years. 1948 was the largest year with an average of 30 thousand head of cattle. In 1948 calves were easily sold for Q42; now they bring Q56-58. In 1948 imported cattle cost in freight rates Q20 for a car of 50 thousand pounds for the run between Guatemala and Patulul. Now importers must pay Q29.75. And where the herds are driven long distances from Honduras and Salvador they need scores of peons. In 1948 to feed one head of cattle cost five centavos a day; now this cost fluctuates between 10-12 centavos daily. Imported cattle constitutes approximately 10 per cent of national consumption.
14. "The treasury committee of Congress reported favorably on new customs duties for foreign whiskey and foreign beer and other imported liquors. The committee pointed out that these foreign products are not consumed by a majority of inhabitants but, on the contrary, are consumed by persons of sufficient economic means. The rest of the population largely consumed liquors and fermented drinks made in the country. It said the new taxes would have two ends: 'first, protection of the national industry, and, secondly, reduction of the amount of foreign exchange for articles not of basic necessity.'
15. "Prensa Libre reports on 14 Nov 53 that José Manuel Fortuny, generally considered the No 1 Communist of Guatemala, left the country 5 Nov 53, and it was considered possible on the day this report was published that he was then in

MOSCOW. Prensa Libre reported some mystery surrounded the circumstances of Fortuny's departure. It said that he took a TACA plane 5 Nov 53 for Mexico, where he left 9 Nov for Vienna and says that it is understood that the intention of Fortuny was to leave and return incognito. Prensa Libre comments: 'With Fortuny's departure it can be said that the high command of local Communism presently is to be found in the countries behind the Iron Curtain.'

16. "This was a reference to the trip of Victor Manuel Gutiérrez and other Communist tourists who left 29 Sep 53 to attend the World Trade Congress in Vienna. Efforts of Prensa Libre to confirm the news of Fortuny's departure at the Communist Party headquarters evoked only the comment that 'Comrade Fortuny has not been here for several days.' As of that date only Carlos Manuel Pellecer of the Communist first team was in Guatemala. On 18 Nov 53 the Communist Tribuna Popular confirmed Fortuny's absence and said he was in Moscow.
17. "Prensa Libre, under the headline 'If the State Is Not Careful It Will Dig Its Own Grave,' commented on proposals of the government to reform the Labor Code governing the relations between workers and private employers. Prensa Libre says that there is danger that the State will be too liberal with the public workers.
18. "Speculation continues that Guatemala will renew diplomatic relations with various governments to which the revolutionary regimes had opposed because of their so-called fascist compositions. These nations include Peru, the Dominican Republic and Venezuela, and apparently relations with Venezuela may be the first to be patched up so that Guatemala will not be embarrassed by sending a delegation to the forthcoming Organization of American States meeting there in March [1954].
19. "Impacto of 13 Nov 53 suggests that Guatemala might even seek diplomatic ties with Spain because Guatemala's quarantine means nothing if the majority of the countries now have relations with Franco.
20. "The Public Health Workers' Union complained to the Ministry of Public Health that the salaries of the workers of the hospitals of Jutiapa and Chiquimula have not been paid. The Union turned over to the Ministry petitions of the workers that the suggested cuts instituted in July be canceled.
21. "The Honduran Embassy on 13 Nov 53 issued a statement rebuking the pro-government Nuestro Diario for calumnies the Embassy claimed that newspaper made against the government of President Juan Manuel Gálvez and denied reports that the government of Honduras had inflicted tortures on anyone and was intervening in the internal affairs of Guatemala. The Embassy denied that two of the Hondurans accused in a Communist plot in Honduras and who later took asylum in the Guatemalan Embassy had been tortured.
22. "A tremendous argument has been underway in the Guatemala City press between opposition newspapers and pro-government Nuestro Diario in connection with the efforts of the latter publication to brand the opposition publishers as imperialists and supporters of the 'Frutera' for their refusal to go along with the government propaganda. Prensa Libre and Imparcial both came to the defense of Clemente Marroquín Rojas, Director of Impacto, and condemned the suggestions of Paulino Ovalle H, Director of Nuestro Diario that the editors of the opposition press would be liable under Article 16 of the Guatemalan Constitution to the loss of their citizenship if they aided another country or a foreign citizen against Guatemala in any diplomatic claim or before an international tribunal.
23. "The Director of Nuestro Diario, according to Imparcial, claims that Marroquín Rojas and other independent newspapers support the claim of the US Department of State and consequently are subject to provisions of Article 16. Imparcial

calls this an insidious attack against freedom of the press in Guatemala City and censures the Director of Nuestro Diario for attempting to provoke servility in the free expression of thought.

24. Marroquin Rojas, writing in his Impacto of 12 Nov 53, said, 'So far we do not believe in Russia as the guiding spirit of the peace and on repeated occasions we have signified the end of those governors who have opposed the line established from Washington.' Previously he said the duty of all Marxists is to accuse those who do not think like Stalin, Marx and Victor Manuel Gutiérrez.'

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