

CIA HISTORICAL REVIEW PROGRAM  
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Chief, S.D.

Chief of Station, Guatemala

KUGOWN Priority Assignments

Psychological Barometer Report - Period Ending  
14 November 1953

Reference: HGG-A-475

1. It is believed that the previously reported general attitude of hopelessness, with regard to the efficacy of internal forces capable of changing existing conditions, has been somewhat modified by events observed during the reporting period. Again it is impossible to accurately measure the extent to which prevailing attitudes have been modified, but the following items are considered significant since they may indicate the beginning of a trend toward appreciable changes in factors relating to the "psychological barometer."
  - a. Politically there is evidence that discontent with the present administration is spreading to high level members of the government itself. Sources believed to be reliable have reported that Charnaud ~~MC~~DONALD, Minister of Government, and Carlos ~~AL~~DANA Sandoval, Minister of Communications and Public Works, are both discontented and are considering resigning from their cabinet positions. Discontent is further confirmed by the known fact that many influential persons who formerly supported the government, or were neutral regarding internal conflicts, have begun to manifest anti-government, anti-Communist sentiments. Representative members of the latter group have for the first time appeared at the Embassy to express their views. Since political opportunism is so pronounced in Guatemala, such individuals probably are declaring themselves as a matter of future self-protection should the present government be replaced by an anti-Communist regime. The significance lies in the fact that they are declaring themselves. It appears that they are less fearful to take an anti-government stand, possibly convinced that the present administration will not survive. It should be noted that some of these persons have expressed themselves to be in favor of the original political and economic objectives of the revolution of 1944 but they now feel that the present

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Communist-infiltrated administration has deviated from the original aims. It is also apparent that the arrival of a new U.S. Ambassador has engendered optimism in anti-government circles and fear in pro-government circles. The hopeful attitude of a significant number of people may be summed up in a single question: Is he going to do something? It should be added, however, that there is widespread vagueness with regard to a definition of "something." As yet there does not appear to be any substantial evidence that internal forces have been sufficiently inspired to do "something" for themselves. Nonetheless, the very presence of a new and obviously vigorous and outspoken Ambassador has certainly helped to encourage some hope that the situation might be remedied. Whether such hope, so tenuously based on the mere presence of an individual, is wishful thinking remains to be seen.

Concurrently with the foregoing developments there is renewed speculation of impending revolts and invasions aimed at overthrowing the present government. Within a 24-hour period three reports from three sources, all believed to be reliable, stated that revolt was expected. The government has reportedly been alerted, and according to one source the Air Force is patrolling the Guatemala-El Salvador border and the Pacific coast in anticipation of invasion and/or the clandestine entry of arms and ammunition. Without discounting the possibility of revolt, one source reported that there is some speculation that these stories have been planted by the government in order to forestall conspiracies or to rally support for the government. Whatever the origin of the revolt talk, it is believed significant in that it represents unrest and still another sign of renewed hope in an environment that until very recently was characterized by nothing but hopelessness.

In connection with the topic of revolt it should be noted that there is considerable talk among anti-government individuals to the effect that exiled Colonel CASTILLO Armas is not genuinely opposed to the present government but is in reality a counter-revolutionary in the pay of the ARBENZ government. ~~CASTILLO~~ CASTILLO Armas has reportedly been recruited by ARBENZ (and paid \$1,000,000) to make a pretense of organizing an invasion and thereby prevent effective action by genuine revolutionaries. These allegations have not been confirmed. Again they could be inspired by the government in order to undermine confidence in CASTILLO Armas or to discourage other revolutionary minded groups within Guatemala or abroad. From a "psychological barometer" standpoint such reports, if given widespread credence could serve to sustain the previously reported hopelessness.

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Conflict within and between the official political parties became prominent again during this reporting period. Opposition newspapers reported strong objections within the official parties to Communist domination. There were the usual denials of conflict and the usual claims of "revolutionary unity." Undoubtedly hostility toward the Communists exists within the official family and it is considered another reflection of the anti-government, anti-Communist and discontent manifestations cited in the opening portions of this report.

- b. Economically, conditions are becoming more favorable for the generation of anti-government, anti-Communist sentiments. "Hard times" is the central theme of economic conversations at all levels. Dissatisfaction is spreading because of the government's apparent inability to pay wages on time. School teachers and employees of the highway department are especially hard hit. There is reportedly a shortage of money in circulation; sales of staple products are reported to be 40 to 50% below normal; a shortage of sugar has been proclaimed and then denied for the past two weeks (actually it appears that the distribution system has broken down and there is no real shortage. Nonetheless, the failure to get the sugar to the consumer has caused some inconvenience, some abuses in sales, and charges of government responsibility for the net result). Discontent is also expressed with regard to rising prices for basic commodities. No figures can be cited to prove or disprove alleged price rises, but for the purposes of this report the important thing to be noted is discontent, justified or not, due to an alleged or real pinch on the consumer.

Another widely publicized topic in the economic sphere during the reporting period has been the price and distribution of meat. Distributors have protested that they cannot profitably sell meat at the prices established by the government. Some of the distributors have been fined for exceeding price ceilings; they retaliated by threatening to go on strike; whereupon the government declared its intention to make distribution itself if the distributors strike. This situation illustrates the many different problems which add up to a total economic situation that is becoming increasingly serious and which the government apparently cannot solve thereby engendering further hostility toward itself.

During the reporting period the President himself initiated a series of round-table conferences apparently in an effort to solve some of the pressing problems and shore up the sagging economy. Observed reactions indicated that the public at large does not expect much from these conferences, probably because of the general belief that the basic problem is Communism from which all other problems arise.

A miscellaneous item of interest for "barometer" purposes is the much discussed fact that public and personal security is increasingly jeopardized by a sharp rise in robberies and assaults which can be explained in terms of economic problems (unemployment, high prices, etc.) and the breakdown of discipline due to Communist preachments on the rights of the "masses" without regard to the responsibilities inherent in the so-called rights of man. However explained, it is important to note that the police and the government are held responsible for the higher crime rates and public confidence in the government is apparently undermined as a result.

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