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MAR 2 1 1954

Lincoln

Chief of Station, Guatemala

INFO: Chief, WHD

Communist Activities in Guatemala

Information Furnished by L

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- 2. According to 

  The information in the first attachment was obtained from Gabriel ARRIOLA whom 

  The lieves to be the secretary to Victor Manuel GUTIERREZ, Secretary General of the CGTG and well known local Communist.
- 3. I Istated that Attachment No. 2, a memorandum dated 23 February 1954, was written by a source in the National Palace whom he did not further identify, and further attributed the information in paragraph 3 of that memorandum to Francisco SARS, stated to be a cousin of the Colonel SANCHEZ mentioned in that paragraph.
- 4. Station files contain no references to either Gabriel ARRIOIA or Francisco SARS.
- 5. Since no other information has been received from the ultimate sources of these reports, both are evaluated F-3.

Clara M. Heagey

CIA HISTORICAL REVIEW PROGRAM

RELEASE AS SANITIZED

Enclosures:

2 translations as noted

23 March 1954

CMH

Distribution:

2-Linc w/2 att 2-Mash w/2 att

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SECRET PESUCCESS RYBAT

## 16 February 1954

On 16 February 1954 the principal leaders of the Communist Party, headed by Victor Manuel GUTIERREZ and Carlos Manuel PELLECER. met with President ARBENZ. They inquired as to whether he was yet aware of the rumors presently circulating with regard to the formation of a military triumvirate composed of Colonels SANCHEZ and GETELLA and a lesser ranking military man. Since Colonel ARBENZ replied that such rumors must be reactionary lies. PELLECER told him that they wished to know his decisions concerning the threats and dangers emanating from the reaction and imperialism because the Communist Party has organized resistance forces among the masses in conformity with the instructions which the President had authorized for distribution to revolutionaries throughout the country, and they did not wish to be victims of disloyalty on his part. PELLECER told him that it is being rumored that the imperialist PEURIFOY wants to deal them (the Communists) a "knockout punch" but that they will know how to defend themselves because they have methods for controlling traitors. President ARBENZ told them that he is dealing with PEURIFOY in strict agreement with the advice given him by the Russian Embassy in Washington and that none of the Communists need feel apprehensive concerning his conduct. He also told them that he is hopeful that the "Caracas threat" will be nothing more than a showy war of nerves and that he could assure them that he would not betray them and would fulfill his promise to not permit them to be harmed so long as he is President of the Republic. PELLECER, emotionally stirred, told him that his words gave him more courage and determination to fight the national and international enemies of the government and that it did not matter how or from where the attack of the traftorous Guatemalans might come because they (the Communists) were prepared to destroy them. Colonel ARBENZ asked that they cooperate with him so that the presidency of the Congress might remain in the hands of a "democrat" in order to be safer in case of suprises.

## MEMORANDUM

23 February 1954

- 1. A meeting attended by members of the CGTG, political parties, exiled Nicaraguans, etc. was held in the bandshell of the Parque Central on 22 February 1954 between 6 and 8 p.m. commemorating the twentieth anniversary of the death of SANDINO. There were some 300-400 people in attendance and the speeches given attacked the governments of SOMOZA and the U.S. On 22 February the National Congress voted on and rendered a minute of silence in honor of SANDINO's death. Three Anti-Communist Deputies refrained from voting.
- Colonel Ruben GONZALEZ Sigui, on active duty at the <u>Cuartel</u> <u>General</u>, 5th Avenue and 7th Street West, is contacting certain reactionaries and anti-Communists inquiring if they are ready and have followers to organize a coup in company with Colonel ALDANA Sandoval and his friends. In March 1953 at the time of the Salama incident this Colonel GONZALEZ Sigui made the same propositions to various reactionaries and anti-Communists including Colonel Alfredo CASTANEDA. CASTANEDA declared himself to be in agreement and was immediately arrested. Since that time he has been among the political prisoners held in Salama.
- Following the closing of the Second Syndical Congress, its organizers together with Rafael AVILA, LOMBARDO Toledano's Mexican representative at the mentioned congress, met with President AREENZ and proposed that Communist officers, including foreignershere, be introduced into the National Army as a guarantee against invasion for the Arbenz Government. ARDENZ discussed the proposal with the General Staff of the Army, the Minister of Defense, the Chief of the Armed Forces, the chiefs of the garrisons, etc. explaining to them the practicality of such cooperation proposed by the Communists. the exception of Colonel SANCHEZ, Minister of Defense, and Colonel PARINELLO, Chief of Staff of the Army, all accepted ARBENZ' suggestion. However, in view of the opposition of SANCHEZ and FARINELLO, ARBENZ did not dare to put the proposal into effect. When GUTIERREZ and FORTUNY were advised of what had occurred, they told ARBENZ that he should "get rid of" the two colonels on some pretext or other so that the plan to organize a "People's Militia" within the National Army could be carried out. GUTIERREZ and FORTUNY attribute the discovery of the YDIGORAS Fuentes-CASTILLO Armas plot to their own police organization, pointing out the inability of the political parties and the National Army to have succeeded in discovering it.

(This information from Francisco SARS, a cousin of SANCHEZ)

- 4. BETANCOURT, Dr. Juan José AREVALO and the Communist leader MORA were the ones who succeeded in getting President FIGUERES of Costa Rica to decide not to attend the Caracas Conference. In reality, the recommendation of the Costa Rican Congress was nothing more than a way of concealing the suggestions of BETANCOURT, AREVALO and MORA, the brother-in-law of BETANCOURT.
- 5. The newspaper Prensa Libre is partly financed by the Minister of Government, Augusto CHARNAUD McDonald, and the PRG, according to reliable sources.