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Our good friend from Guatemala brought the enclosed up,  
as of interest. They emanate from the Association of  
Agriculturists in Guatemala.

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Translation

Memorandum on the Agrarian Reform  
of Guatemala

Its Origins and Results, the  
Real Situation of the Ownership of  
the Land and Communistic Character  
of the Program Being Accomplished.

*Handwritten notes:*  
1950  
Guatemala  
Agrarian Reform  
Bureau of Statistics

*Handwritten date:* Feb 26, 1952

Guatemala is a tropical country of 108,889 square kilometers. Its population, according to the census of April 18, 1950, amounts to 2,787,030 inhabitants, of which 884,141 are considered urban population, and it has a rural population of 1,906,889 inhabitants. Guatemala is a country whose economy is fundamentally based on agriculture; its mining and industrial activities are negligible. The country presents on the other hand natural gifts for the tourist trade, among which is worth mentioning its climate, reputed to be the nicest and healthiest in the world. Farm production is classified in four branches, two of which are of capital importance for the internal consumers' market, namely, corn and sugar cane. The other two are the fundamental products of exchange in the export market, namely, coffee and bananas. As a second place in its economy, Guatemala has the production of cattle, which has been diminishing in the last 8 years, due to the fact that this branch of the economy has been the target for the government of the 1944 revolution, in spite of the fact that there are tremendous possibilities for the raising and fattening of cattle in the huge prairies of Peten as well as in the natural pasturelands of the lowlands and in the shores of the big rivers.

As a consequence of the previous data, we may conclude that the density of population of Guatemala is quite low; 24 inhabitants per square kilometer, taking into consideration the whole population, and only 17 inhabitants per square kilometer if we only take the rural population. During the first quarter of the present century the lowlands were full of disease, unhealthy, especially because of yellow fever, intestinal parasites, which resulted in a big spread of tuberculosis. Due to this circumstance population concentrated in the more healthy highlands. In order to develop the large coffee plantations and sugar mills of the Pacific coast, it was necessary to obtain forced labor, made compulsory by the provincial authorities during Estrada Cabrera's dictatorship, and this was true of the later administrations. The value of the lands on the coasts used to be extremely low in spite of the fact that most of them were quite fertile, and this was due to the lack of labor to work them and the lack of roads to get there, making it almost impossible to start any kind of exploitation.

The Guatemalan economy is based upon the coffee and banana plantations, created through the railroads, dirt roads, and the joint action of the Germans in their development of the coffee fincas, and the enterprising Americans in developing the banana plantations. But yellow fever, malaria, and other tropical diseases were only dominated by means of the health program started by Rockefeller Institution and continued later through the joint work of General Chacon's administration, and finished by the joint activities of General Ubico's government and the United Fruit Company. It was not until then that those

lands could be populated. In the meantime, the soil in the highlands was suffering from erosion and its productivity was coming down because the planting of corn by primitive methods was systematically and continuously destroying the usable land. Those primitive methods did not take into consideration the problems related to soil conservation. Great landslides during the rainy season resulted in the draining into the rivers of the humus and soil, making the streams appear almost black during 6 months of the year.

In order to cultivate the coffee it was necessary to get temporary labor coming from the highlands to the coast. These workers used to return every year to the highlands in order to take care of their pastures of corn. In order to operate a coffee finca, it was necessary to operate also a corn plantation in the highlands, in order to obtain for the first the labor so urgently needed. Otherwise, it was necessary to buy corn in the open market, and it was usually given free to the workers or at prices under retail. Nevertheless, the improvement of sanitary conditions and the impoverishment of the soil in the highlands resulted in the settlement of thousands of workers in the plantations of the coast. As a clear example, of such shifts of population, we find that a large segment of the permanent population of Chicacao is made up by Indians from Santiago Atitlan and other mountain places or villages surrounding the Panajachel Lagoon. The United Fruit Company has been able also to settle a large segment of the rural population around its banana plantations, by means of sanitation of the places where its work is being done, and by medical care to its workers.

The problem of the distribution of land did not appear in Guatemala until now, due to the fact that the population is out of proportion to the territorial amount of usable land; and there is no proportion, either, between the land which can be planted and the rural population. At the present time land is very cheap, and although not all the peasants are able to purchase land, anyone may get it by the customary methods of tenancy: partnership, direct tenancy, and just the labor relationship under which it is an obligation for the employer to give to the rural worker the land, means for cultivation, irrigation when that is possible, and leave of absence so that the peasant can plant, cultivate, and harvest his corn and his beans. It is estimated that 60 days of the calendar year are given to the workers for these purposes.

Many peasants cultivate for themselves small orchards (usually with irrigation) which can be obtained by any of the means previously stated. With such orchards the workers may obtain a certain amount of extra income, and can improve their welfare and that of their families. It has never been said in Guatemala that there is real scarcity of land. Several governments which preceded the so-called revolutionary administrations were always able to give land away to their supporters. That land was taken from the huge national reserves, wasteland, nationalized common lands, and even from farms taken away from political enemies. There are still enormous tracts of land which belong to the government and are not under exploitation, and the government could give land from these tracts to anyone willing to plant them. There are also large pieces of land that could be profitably planted if only they could be irrigated. However, the revolutionary governments

of Arevalo and Arbenz have not even attempted to formulate programs regarding flood control, building of dams, and distribution canals for irrigation. The huge sums of money that those governments have received from the large group of farms expropriated from the Germans have been either stolen or wasted instead of being used in the fostering of agriculture.

U.S. press correspondents, traveling to Guatemala to get information regarding economic conditions prevailing in the country, have accepted as good and true the figures furnished by governmental sources interested in concealing the economic picture of Guatemala. These governmental sources have stated that 70% of the arable land is owned by only 2% of the population which forms the class of the feudal landlords. But the truth is entirely different, as it will be later explained.

At the time when the communist politicians from the official parties and the pro-communist government of Arevalo, according to instructions coming from outside the country, started talk about an agrarian reform, they also stated that in view of the future plans for preparation and technical accomplishment of the agrarian reform, they would carry out an agriculture census. In fact, the government bureau of statistics started a publicity campaign, intended to convince the Guatemalans that they should give information with as much accuracy as possible; that the data obtained through the census was to be confidential and that it would never be used for anything else but for statistical purposes, and that the agrarian reform, should it be carried out, would be based on the data obtained from the census.

The first results after a long computation were published in the *Diario de Centro America* of July 25, 1951. (This newspaper is from any point of view a communist sheet, official organ of the government, self-styled as the official organ of the revolution.) But as soon as *Accion Social Cristiana*, a weekly of low circulation, started to publish a series of articles demonstrating that the agrarian reform was unnecessary and absurd if it was to be accomplished with the data recently made public, the official paper stopped publication of the results of the census. The weekly, *Accion Social Cristiana*, at the same time it was refuting the government, supported the recommendations made by experts from the School of Turrialba for the development of agriculture in Guatemala. This committee of experts went to Guatemala with a committee from the International Bank for Reconstruction and Development. The official papers never published the analytic survey resulting from the total information of the census. What happened? That the agrarian reform was being planned by the head of the communists, teacher Victor Manuel Gutierrez, aiming toward the destruction, not only of the Guatemalan kulaks, but of all the land-owners, either big or small, resulting in total collectivization of the land. What the communists learned from the census was the fact that in Guatemala the arable land is well distributed and belongs to a numerous class of peasants and small landholders, and that this class of small landholders would become the main bulwark against collectivization and communist reforms.

In fact, the census showed the existence of 341,193 farms with a total area of 4,973,246 square blocks (more or less, or roughly 10,000,000 acres), out of which 204,880 were under tenancy, 291,144

were exploited according to other methods, and 4,441,222. were exploited and cultivated by their owners. The census also demonstrated that the vast extent of land owned by a few, against which the communist and pro-communist propaganda had been aiming its guns did not actually exist. The census showed that there were only 18 farms of more than 200 caballerias (roughly 24,000 acres), 33 farms of more than 100 caballerias (roughly 12,000 acres), and 104 farms of over 50 caballerias (roughly 6,000 acres). But what is more important, was the discovery that the large tracts of land were located in the more thinly populated provinces, namely, Peten, Izabel and Huehuetenango (one caballeria is the equivalent of 111.5072 acres). It was learned from the data of the census that the government was the largest landholder, that the government owns the largest number of farms and that also the government had direct ownership over the largest area of arable and usable lands, not under exploitation.

The census also made evident that the deforestation and erosion of the land were alarming ills of the Guatemalan agriculture; that the topography of the land, in which there were intermingled high regions of mountains with narrow valleys above 3,000 feet, with the vast plains of the coast, demanded more of a technical reform than of a social and economic reform, and that these could be accomplished by modernizing and mechanizing agriculture in the lowlands, and keeping the valleys and the mountains for dairy products, orchards and vegetable gardens. The figures of the census also indicated that a technical reform would result in the development of more coffee plantations (which have the advantage of re-forestation, of steep grades and slopes, thus conserving the soil).

Another face also became evident as a result of the analysis of the figures in the census. It was plainly shown that it was advisable to increase the area dedicated to the cultivation of sugar cane, in order to avoid the necessity of heavy imports from abroad. It was also clear that cattle growing was to be fostered by all possible means, as well as the cultivation of textile-producing plants and oil-producing grasses. It can also be gathered that it is needed the opening of new agricultural regions by means of new roads with access to the main highways, which at the same time ought to be improved constantly. There is also necessary to maintain the rotation for the banana plantations, in order to prevent the Panama disease which ruins any plantation. Rotation of lands cultivated with corn is necessary in accordance with the results shown by the census.

The following figures show the number of farms under cultivation in Guatemala, as well as the area in which they are contained. There are 331,193 farms, divided as follows:

72,775	of less than 1 square block	(3 acres)
88,726	" " " 2	" " (6 " )
97,668	" " " 5	" " (15 " )
41,963	" " " 10	" " (30 " )
26,545	" " " 32	" " (60 " )

There are 6,068 farms of more than 60 acres, and less than 160 acres. There are 555 farms of more than 1,000 acres and less than 2,000 acres; and there are 351 farms of more than 2,000 acres, and less than 6,000 acres. In other words, out of 341,193 farms, shown by the census, 333,745 farms have an area of less than 111 acres. It cannot be admitted, therefore, as propounded by the communists, that the land is in the hands of a few feudal landlords, inasmuch as it has been previously stated, the largest proprietor is the Guatemalan state, which is also the absolute owner of the national reserves, and of the farms taken away from the Germans, and from the political officers of Ubico's regime.

Expropriation of German farms due to the war put in the hands of the government the largest amount of wealth conceivable in Guatemala. During the years following the end of the war the coffee produced by the former German plantations has been sold at very high prices. On the other hand, the government has been paying very low salaries to the workers. Furthermore, the working men on those farms were completely deceived by the government, which in the beginning offered to them a bonus of 25 percent on the profits of the farms. The law providing for such bonuses was recently repealed by the National Congress before any of the workers could receive a penny out of the farms' profits. The income received by the government from those farms has been stolen or wasted, and the farms have been continuously deteriorating. It is interesting to notice that the German farms used to be model plantations in the hands of their former owners. Coffee and sugar mills in the expropriated farms are in such bad shape that a commission of experts sent by the Federal Agricultural Organization stated that in order to have them repaired it is necessary to invest 2½ million dollars, and to work on the mills for a period of two years. Cattle, fattening or growing on the government ranches, has been either substituted by heads of inferior type and weight or plainly stolen.

In so far as the former German property and national property are concerned, the purpose of the agrarian reform is to conceal the plunderings by the revolutionaries, to conceal the pillaging of cattle and coffee, and to make disappear any tracks of the abuse committed upon those properties. Recent press releases indicate that the government's auditing bureaus have discovered in the management of the national farms that there have been losses of over 4 million dollars.

In accordance with the agrarian reform, distribution of the land - both of private properties to be expropriated as well as national property - is to be accomplished under the principle of usufruct for a period of 25 years. Nobody has received land in the form of private property. The government is unable to furnish the "favored" peasants with the technical means to cultivate the land given in usage to them. The peasant does not have work - cattle, tools, seeds, rural credit, either on short or long terms. But above everything else, the peasant lacks experience, capacity to manage agricultural enterprises, even small ones, because of the peasants' limited intellectual capacity and ignorance, they will become an easy prey of demagogues which are already exploiting them without mercy.

The Guatemalan case is even more serious than contemplated above. Gutierrez, the principal leader and spokesman for communism in Guatemala, in explaining the agrarian reform - propounded by the communists for their very particular political interests - stated: "the agrarian reform is just one phase of the matter; the very situation in which the reform was going to place the "favored" peasants would make easy the collectivization of the land; and the farms distributed according to the reform will be again integrated in economic unions as before, but converted into state kolhoses".

Side by side with what can be called the legal agrarian reform, a de facto agrarian movement has taken place in the rural districts. This de facto movement has been especially directed against the peasants who own small tracts of land, or who plant under the system of tenancy, or those who receive land as part of their salaries. This de facto movement has resulted in the taking over of land by the agrarian leaders and their communist followers without any legal proceedings, and with the support of the local authorities. The owners of tenants have been deprived of any means to complain to the courts, and have been refused any support on the part of local authorities, all subservient to the agrarian committees. Violent riots have taken place due to this condition, because the peasants have taken the law into their own hands, for lack of support on the part of the local authorities. The government has held responsible those resisting violent occupation of their lands; they have been vexed and persecuted to an extreme degree.

From the previous facts it is increasingly evident that the agrarian reform does not pursue an increase in agricultural production, not even better distribution of the arable land. The purpose of the Guatemalan "agrarristas" is not economic but political. Its fundamental purpose is the destruction of the numerous class of peasants who own land; the destruction of farms constituting economic units, by dividing them up, so as to make every fraction unsuitable for cultivation. By means of the agrarian reform the peasants will be subjected to the socialist state and the local agrarian committees will be able to exploit the peasants when they are organized in collective farming. Later, they will be required to pay production quotas, and the state will become the supreme distributor of agricultural products, and the sole exporter. If any private farms remain after the program is completed, they will be discriminately placed in regard to collective farms. They will be required to pay higher taxes and production quotas. The few remaining owners will be vexed in order to force them to the socialization of their farms and to submit themselves as agricultural slaves to the powerful superstate. It can be gathered that this is the program which the agrarian socialists of the revolutionary governments intend to carry out. Actually, the program intends to destroy the peasant organization as well as the associations of rural owners. Thus, they will no longer function as a social group opposing the Soviet development of the country.

The economic consequences of this program cannot be exaggerated. Ninety percent of Guatemala's economy rests on the income from agriculture. This condition is being aggravated by inflation, since the government has been weakening the monetary structure by borrowing

from the Bank of Guatemala (a recent loan of \$20 million was approved by the Congress). Confidence in the monetary system is weakening, too, thereby preventing the influx of foreign capital for the development of the national economy, and causing the flight of domestic capital. It is estimated that at the present time about \$70 million dollars have flown from the country and that capital is without movement in American, Swiss, Mexican and Canadian banks. Eventual reduction of the agricultural production, in particular, of consumer goods, will result in a considerable increase of the cost of living; and this condition will then give origin to labor disputes for higher wages, and higher wages will shoot up production costs.

This is a rational forecast of what is happening and will happen when the agrarian reform is completed, inasmuch as it has been inspired, planned and accomplished by the communists. The Arbenz government pay no attention to the recommendations made by the mission sent to Guatemala by the Bank for Reconstruction and Development. That government is only taking into consideration the directives issued by the communists of Gutierrez. We do not know how this program will affect the large banana plantations of the American fruit companies. But as the whole agriculture of Guatemala is dependent upon its several products, it is evident that the American companies will be seriously damaged. The cattle industry has been, and will be, immediately hampered, inasmuch as many pasture-lands have been already divided and distributed among the workers. Cattle is being slaughtered at a high rate because the cattle growers may no longer keep the number of heads they used to feed. The coffee industry will be deprived of the labor necessary for the harvesting of the product, and crops will be considerably decreased in the forthcoming years. There is no chance to develop more lands or to improve the present plantations, due to the fact that there is the constant threat of expropriation and civil war, over the heads of the farmers. Civil war may result from the resistance of hundreds of thousands of peasants who own small tracts of land, to have them taken away de facto by the agrarian leaders.

Unemployment will necessarily result and at the present time hundreds of workers are being laid off in the oil-producing and cattle farming areas. Many branches of the Guatemalan economy will be affected by the crisis and agrarian depression provoked by the communists.

Ninety-eight percent of Guatemala's arable land is cultivated with corn, wheat, beans, sugar cane, and other basic products in the life of the peasant. All of them, until now, have been able to obtain those basic products, either at a very low cost or with almost no effort. In the rural areas of Guatemala there cannot be found the extremes of misery and malnutrition that may be seen in countries overpopulated or who suffer scarcity of natural resources. An agrarian reform, carried under technical basis, and managed by a group of experts, is capable of resolving the problems created by the agricultural development of the country. Following the path in which the communists have led, the agrarian reform could only result in national disaster.

2/26/53  
Guatemala City



## Addendum

### International character of communism in Guatemala.

The development of communism in Guatemala is entirely independent from existing social and economic evils. The country's history shows that two independent economies have been developing or living together. One is the Indian economy entirely dependent upon the ability of the great masses of Indians to produce corn. The other is the economy based upon production of agricultural products for export. Both economies are becoming interdependent by the process of incorporating the masses of Indians into one single economy. However, a large amount of the population remains aloof to the economic trends of the world due to the fact that their basic needs can be filled by themselves.

Although it is clear that economic reforms are necessary for the progress of the country, although it is evident that the masses of Indians have to be promoted to a better standing of living, nonetheless it is true that the development of communism has nothing to do with the economic backwardness of large segments of the population. Communism has come from abroad and has been imposed upon the Guatemalan people from above. Communism has developed under the direct drive of International Communists like Luis Saillant of France, Lombardo Toledano of Mexico, Godoy Urrutia and Pablo Neruda from Chile, Hubner of the Cominform, Dr. Buen y Sozano and Ramon Duran of Spain. These communists have either been visiting the country for long periods of time or have been staying in the country as close advisors to the Government or organizers of the labor movement. Several government ministries and agencies have maintained communists on the government payrolls as economic or social advisors. Important Latin American communists like Prio Socaria, Bethancourt Aureliano, Sanches Arango and Gallegos have always found in the Guatemalan Government the friendly cooperation needed for the development of their plans and have usually found shelter whenever they have been in disgrace. The group of foreign communists have been always actively engaged in the organization of the Caribbean Legion.

### The Popular Front Government.

Due to their failure to grasp power in other Latin American countries, the communists have started their control of Guatemala by participating in Popular Front governments. By lending their support to leftist groups, they have obtained key positions in the government, thus increasing their political power. Their numerical strength is very low but by securing control for themselves key positions in the government, they have come to dominate the whole administration. The number of votes received by the communists at any election shows that even the number of avowed communists in Congress is far above their real strength. The fact that they already have a real hold on the police and on the army places them in a position of tremendous power and influence and they are able to prevent any

serious attempt on the part of the opposition to overthrow them without outside help. Non-communist government employees have been forced to follow the communist line less they be dismissed from their jobs. Large and small farmers are so afraid of being jailed or fined that they do no longer dare voice their protests against communist outrages. This condition is similar to the one developed in Czechoslovakia and other countries behind the Iron Curtain.

In 1948, very few people had realized how serious the danger was. In 1950, the public demonstrations of July 18th to the 23rd by huge crowds showed that the majority of Guatemalans had become aware of the danger. It is worth noticing that those demonstrations were organized just as a protest for the government's failure to try and punish Arana's killers and that the people spontaneously reversed the motive of the demonstrations by clamoring for the expulsion of communists, Arevalo's resignation and dismissal of extreme leftists from governmental positions. When the demonstrations turned out to be spontaneous protests against communism, the demonstrators were machine gunned, the anti-communist leaders were persecuted, at least two of them were killed, (Lemke and Meono), and up to eighty-five prominent anti-communists, among them at least twelve lawyers, and five doctors and fifteen students were jailed for over two months. Five distinguished citizens, among them two lawyers, and Elder Statesman Manuel Cobos, were put on a military transport plane and landed in Mexico without passports or any identification papers. A group of students, and Army officers were also expatriated to Cuba and kept under constant watch at the San Luis Hotel by the former government of Prio Socaras. Subsequent demonstrations, most of which were ended by the police firing upon the demonstrators, proved that the Guatemalan people have stubbornly resisted communist domination; that they don't like communism and that they are willing to make any sacrifices to overthrow the communists.

#### The Communist-Inspired Agrarian Reform.

The recently enacted Agrarian Law, as is stated in the Preamble, is intended for the disposal of former German property. The Guatemalan government has been trying to prove that Guatemala suffered losses during the Second World War. After seven years of work by an especial Agency, the Government has been unable to produce the figures of the alleged losses. However, it is evident to anyone that Guatemala had no losses whatsoever during the Second World War. Guatemala has no Navy and did not send any soldiers to the front; was not invaded or bombed and its shores were patrolled by the U.S. Airforce. On the contrary, Guatemala received a large influx of dollars from the American soldiers stationed there during the war. Its coffee and bananas meant increasing revenue and the war itself helped to develop a number of new industries and the exportation of new agricultural products, among them, textile fibers and citronella oil. Guatemala also received substantial sums of money by exporting lumber. The expenses of the Guatemalan Government during the war amounted to nothing

because the same political police which had operated before the war took charge of all war duties not carried out by the U.S. Intelligence, and the Army, instead of remaining in its barracks, was used to a certain extent for the vigilance of bridges, power lines and communication facilities. The number of soldiers involved was less than a thousand and the additional expenses were negligible.

As it was stated by the President himself at one of the meetings held with representatives of the farmers, the fundamental reason for pushing through Congress the Agrarian Law was to prevent recovery of German property or payment of indemnities or the expropriation thereof. As is stated by the Foreign Minister himself, one of the principal worries of the Government was at that time the Nottebohm suit pending before the International Court of Justice at the Hague. ] ? ~~\*~~

A law passed mostly for political reasons and to avoid legal responsibilities, or to prevent the rule of law cannot be a good principle of government. There is a provision in that law under Article 87 which prescribes imprisonment for judges or public officials intervening in any form in agrarian matters. Another provision prescribes total expropriation for anyone appealing to the courts or opposing the agrarian reform. But as long as the court cannot intervene, there are no means to legally demonstrate that an accusation on the part of the agrarian authorities is not true.

#### The College of Lawyers and the Agrarian Reform.

Only last month the Supreme Court was unconstitutionally dismissed by the Congress of Guatemala, according to a formal declaration and protest on the part of the National Bar. Inasmuch as the rule of law has been entirely abandoned, all of the colleges of the University and many other national institutions have formally declared that in Guatemala a constitutional government has ceased to exist, and there are no legal remedies because a joint appeal to the highest court of the land was rejected after the dismissal of the Justices of the Supreme Court.

The present government has now clearly trespassed the constitutional boundaries and is governing not by the rule of law, but by the rule of force. The formal declarations issued by the most responsible bodies of the country give full moral right to the people to seek the overthrow of the present regime in order to return to constitutional government.