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4 June 1954

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

MEMO FOR THE RECORD

TO: C/P

FROM: C/PP

SUBJECT: PP -- Labor Operations

2003

1. Guatemala is a predominantly agricultural country where industrial workers are a comparatively small minority. Nevertheless, industrial labor looms larger on the political scene than indicated by mere statistics, mainly because

- a) industrial workers are concentrated in key locations (Guatemala City, Puerto Barrios, railroad line, Atlantic Highway construction etc.), whereas farmers and farmhands are scattered all over the country;
- b) a comparatively high percentage of the industrial workers belongs to labor unions whose development has been strongly fostered by all governments since 1945;
- c) these labor unions are today CP-controlled and internationally affiliated with the CTAL and the WFTU.

2. For PBSUCCESS, labor in Guatemala has primarily a negative (threatening) significance. Under communist leadership, organized labor may

- a) use armed force to quell an uprising, either in support of the regular army -- or instead of the army, if the latter adopts a wait-and-see attitude, or possibly even against the army;
- b) carry out a general strike to prevent friendly forces from taking over the government, possibly even to oust friendly forces which have already taken over the government;
- c) mobilize international support and solidarity in defense of the Arbenz regime, possibly affecting even non-communist labor unions in the Western Hemisphere.

3. I have not seen any intelligence which would give us a clear picture of the existing communist capabilities in the Guatemalan labor field, as against the merely theoretical possibilities tentatively listed in the preceding paragraph. In any case, there seems to have been so far no significant PBSUCCESS progress in the labor field and at least a tangible part of the possibilities described above must be considered a definite threat to the final outcome of PBSUCCESS.

4. So far as I could ascertain from available records, efforts to mobilize overt U.S. labor action to influence the Guatemalan unions were made at an early stage of PBSUCCESS and failed. Attempts to defect individual union leaders or to foster opposition against communist leadership have been contemplated, but apparently not implemented.

5. [-] in the Labor field are:

- a) ORIT (Committee of non-communist Latin American Unions, with HEADQUARTERS in Mexico) -- which held a congress (SALEM) on May 1-3, where a committee

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of exiled unionists was formed; Guatemalan labor exiles were supposed to participate, could apparently not come to the congress because the Mexican government denied them visa. We have not yet received any further information.

- b) EL OBRERO LIBRE, paper of Guatemalan labor in exile, published in Mexico by Rubén Villatoro. 2 issues published thus far. There has been some doubt (presumably unsubstantiated) as to Villatoro personally: ESMERALDITE once accused him of being a double agent, but this was apparently not taken seriously, certainly not by the CALLIGERIS forces. We have asked for information whether and to what extent EL OBRERO LIBRE manages to get into Guatemala and are still awaiting reply.
- c) Catholic Church contacts in the labor field, to be obtained primarily by SUPERIOR, are at the moment mostly wishes and promises. Recent reports indicate that the Church does not want to expose itself by interfering with union activities.

6. Conclusions: The Guatemalan labor situation and the state of our operational assets in this field are thoroughly unsatisfactory and possibly endanger the outcome of our project. If there is but little time left until D-Day, we can only

- a) try to give added impetus to our assets, as listed in paragraph 5 above (a very limited possibility);
- b) pay due attention to labor problems in our general propaganda output, notably via SHERWOOD (little has been done along these lines thus far, owing to higher priority being assigned to other themes, e.g. anti-communism, the army, the Church, agrarian reform, personal attacks on government leaders, and so forth).

If more time is available, re-appraisal of this problem is recommended, in the framework of a general overhauling of the PP sector in PBSUCCESS -- as recommended in my Memo for the Record, dated 30 May, subject "PP Operations in PBSUCCESS; review and recommendations".

[C/PP]

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