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General Comment

1. Whereas the month of November 1948 was spent by the Communist Party of Peru (PCP) in defensive measures, fending off the blow of illegality, December found the Party taking stock of its position and discovering it was not as badly off as might have been expected. The Party felt that prospects of taking the offensive once more were in the not too distant future.
2. Once the Junta was established, the attitude of the Odría Military Junta appeared to be not very different from that of the Bustamante government. This position was that native Peruvian Communism could and should be clearly distinguished from "International Communism"; that the former, unlike the latter, was a relatively mild thing, not for the moment dangerous; and that "Comunismo criollo" might even safely be used by the government in its effort to eliminate the last traces of APRA from organized Peruvian labor.
3. In consequence, it appeared that the Peruvian Communist Party's freedom from persecution would in all probability continue and the end of the month found the PCP able to breathe more freely than at any time since 1 November 1948.
4. The "trial balloon" sent up by the Military Junta to determine the possibilities of working with the Communists in developing labor support, emphasized once again the differences that exist between the orthodox PCP and the dissident group led by Juan P. Luna. The uncompromising doctrinaire attitude of the orthodox Communist Party of Peru was seen during December in sharp contrast to the more wily approach of Luna, willing to compromise with any group in order to attain his own ends.

A. The Orthodox Communist Party of Peru

Attitude of the Odría Military Junta toward the PCP

5. Four incidents indicative of the attitude of the Odría Military Junta toward the PCP were reported from Communist sources during the month of December. The first of these concerned Luis Lovon, Secretary of the Cuzco Textile Workers Union.* Lovon was flown to Lima from Cuzco via Faucett Airlines on 28 November at the orders of the Ministry of Government. A large delegation of textile workers accompanied him to the Cuzco airport and threatened to paralyze the city in a protest strike in spite of the state of siege if Lovon did not return within a few days.

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6. Lovon arrived in Lima the same afternoon and was held overnight at the Jefatura de Investigaciones. He was taken directly to the Presidential Palace the following morning, 29 November, and interviewed personally by General Odría. The following account of the interview was given by Lovon to Party friends in Lima immediately afterwards.
7. Odría first asked him whether he was a member of the Communist Party of Peru and he replied that he was. Odría then asked him his purpose, as a Communist, in holding various positions in the Federación de Trabajadores del Cuzco as well as the Secretaryship of the Textile Workers Union. Lovon replied that the progress of APRA in Cuzco, with the aim of gaining control of all organized labor, had obliged the Communists to take positions of responsibility and leadership wherever possible in defense of the laboring class. In that way, they hoped to prevent labor from becoming the slave of APRA which, through false labor leaders, in truth nothing more than disguised agents of imperialism, was attempting to exploit the riches of Peru. The ideal and aim of the Peruvian Communists, on the other hand, was to "Peruvianize" and nationalize foreign-held interests, said Lovon. They took as their example the action of Mexico with regard to foreign-held petroleum interests.
8. Odría expressed interest in this program and asked whether it were true that the Party was receiving aid from abroad in these matters. This was hotly denied by Lovon, who emphasized that the Peruvian Communist Party lived off its own meager funds. He added that the life of extreme poverty they led was full proof of their humble station and in itself gave the lie to imperialist propaganda that they received outside aid.
9. Lovon stated that when he talked of imperialism, Odría smiled and answered that it was inadmissible that foreign interests control the life of Peru and of Peruvians. Peru was for those born on her soil and that as such all citizens should work for the good and for the unity of the country. Odría said that is what his government would work for if it had the support of the workers who are the actual producers of the country's wealth.
10. After further discussion, Odría stated to Lovon that from what the latter had said, and from other reports received subsequent to his arrest, he himself was convinced that the accusations against Lovon were without foundation. Odría requested him on his return to Cuzco to tell the people of that city that the President of the Military Junta had no other desire than to correct the errors of the previous administration and to offer all facilities and full guarantees to laboring men of all kinds. Odría also said that he had given orders that all those who had been jailed in Cuzco on the suspicion of Communist activities should be released, to continue to work in loyal support of their government.
11. Odría asked Lovon to extend his personal greetings to his laboring comrades and told him from that moment he was at complete liberty and could return whenever he wished. The general added that if he would return to the palace secretariat the following morning, they would give him free return passage by air to Cuzco. When Lovon left, Odría shook him warmly by the hand and urged him as a good Peruvian to work for the greatness of Peru and to exhort the labor of Cuzco to do likewise. Lovon left the Palace alone and went straight to the house of Communist Deputy Sergio Caller where he remained until Sunday, 5 December, when he returned to Cuzco by air.
12. This interview between Odría and Lovon caused much comment among Communist Party leaders in Lima, and they characterized this technique as "pure Feronismo".

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Peron too, they said, had frequently utilized the trick of imprisoning labor leaders, then bringing them to his palace and after a long harangue, heaping presents and promises on them in an attempt to purchase their good will and support.

13. The interview, however, at least raised the question in their minds as to what extent Odria's labor program and his effort to obtain the support of the masses might include collaboration with the Communists. On this point they decided to adopt a policy of "wait and see", and their attitude was frankly skeptical. Nevertheless the interview acted as something of a tonic as they gradually recovered from their first panic of November, and as their fear of persecution, imprisonment and deportation decreased.
- Governmental Feeler Extended through Ernesto More
14. The manifestation on the part of Aprista elements on the occasion of Marshal Ureta's birthday and the satisfaction of the Communist Party with the incident have been previously reported.**
 15. Party leaders believe that the Ureta incident was directly responsible for the "feeler" extended toward the PCP by the government the following week through the intermediary of Ernesto More. More had previous ties with the Party such as financial contributions, contributions to Labor. These connections were finally terminated only when he attempted to run for Deputy for Huancane against the official Communist Party candidate Vicente Mendoza Diaz.
 16. The degree of government support enjoyed by the Mores at the moment lent weight to the supposition. Information reaching the Communist Party early in December confirmed that some deal had been made between Federico and Ernesto More and the Military Junta. Their projected newspaper Trabajo, intended "to defend and orient the labor and syndical movement", was expected in fact to be an unofficial organ of the Junta designed to support its labor policies and secure labor support for the regime.
 17. More approached Julio del Prado, brother of Jorge del Prado and, allegedly speaking directly on behalf of General Odria himself, broached the following points. He stated that the Junta's action in outlawing the Communist Party was primarily for international consumption to facilitate recognition of the Junta by making it appear as a group that would honor its international obligations such as the Bogota anti-Communist agreements.
 18. On the other hand, continued More, the government now feared that the Communists, although much less numerous than APRA, might now join with APRA and cause substantial difficulties for the Junta on the labor union level. For that reason, he stated, the Junta wished to extend a trial feeler toward the PCP to dissuade them from a position hostile toward the government. He pointed out as well known to all members of the PCP that, unlike APRA, the Party had been unmolested and its members neither persecuted, exiled nor jailed. In spite of the illegalization decree, the Party had been left alone by the Junta.
 19. In line with the above reasoning, More proposed that Julio del Prado himself take charge of the Syndical Section of the More newspaper, which finally appeared Friday, 17 December, under the name of Nuevo Tiempo. He also said that del Prado's job with the Ministry of Finance would also be guaranteed, giving him complete security of position. More stated to del Prado that all Communists who were prepared to go along with the government would likewise be guaranteed their government jobs in return.

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20. More's proposition was conveyed to Party leaders by del Prado, and a special meeting of members of the Political Commission was held Friday, 17 December, to consider the problem. It was agreed that Julio del Prado should be instructed not to accept the position with Nuevo Tiempo in view of the official nature of the publication. The Party desired to have no ties or contacts whatsoever with the regime at the present moment. In spite of this decision, however, it was reported at the end of December that Julio del Prado was in fact working on the staff of the newspaper.

Interview between General Odría and Representatives of the Bloque Antifascista

21. General Odría also interviewed two representatives of the Bloque Antifascista the week following 13 December, ostensibly to sound out the position of the Bloque in the current political picture. The two representatives, Senators Jose Antonio Encinas and Luis Galvan, both well known Communist sympathizers, reported to friends and Party leaders that Odría had pointed out to them that all Communists arrested in Cuzco had now been released. Odría repeated the statement reported above that he had outlawed the Communist Party only because of anticipated pressure from abroad. He stated to them that he believed that the Communists in Peru were "gente de orden" and that he intended to use them in his social reform plans and as a means of holding the Apristas in check.
22. Galvan stated further that Odría believed that the Communists were numerically unimportant, but that they had proved many times that they had genuine roots among the people. He quoted Odría as believing that they at no time had shown themselves as anti-government as the Apristas, and they offered no danger at the moment.

Interview between General Odría and Senator Rafael Aguilar

23. A fourth indication of this attitude on the part of the Junta was reported to the Party by Senator Rafael Aguilar of Cuzco at the end of December. Aguilar's pro-Communist sympathies are well known to the PCP. He was elected Senator from Cuzco in 1945 with the full support of the Communist Party, which in the Cuzco area commanded a substantial number of votes, and he has been considered by the PCP as a spokesman for their interests in the Senate. Senators Aguilar, Jose Antonio Encinas, and Francisco Tamayo participated in a series of conferences with Jorge del Prado, Secretary General of the PCP in October 1947, to "clarify and confirm" the Communist political line. Communist sources reported at that time that in the absence of direct representation in the Senate, the three above-named Senators were considered as the supporters of Communist policy in the upper chamber and they have been characterized by the Party as "Comunistas sin Carnet".
24. In January 1947, Senator Aguilar was reported to have made substantial contributions to a fund raised to pay the travel expenses of Juan P. Luna to the Executive Committee Meeting of the Confederacion de Trabajadores de America Latina (CTAL) held at San Jose, Costa Rica, in December 1946. Luna was at that time a leading member of the Lima Departmental Committee of the Communist Party of Peru. More recently, Communist sources have reported that Senator Aguilar was a contributor to a fund collected by the four Communist Deputies in August 1948, to help defray the expenses of the III National Congress of the Communist Party of Peru, held in Lima during that month.
25. Although Aguilar's pro-Communist tendencies are well known to the Party, he is known as an independent to the general public. For that reason he was requested by the Party to interview Odría if possible, to confirm the attitude of the General toward the Party. Aguilar reported to Party leaders following an hour's conference

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with Odria that he believed that no steps against the Party were contemplated, and that there was no imminent danger to the persons of Party leaders, prominent members, and the like. It was Aguilar's belief that Odria's attitude as evidenced by the above-reported incidents was genuine and that the Party had nothing to fear at the moment.

Attitude of the PCP toward the Military Junta

26. What this "trial balloon" by the Junta might have led to is difficult to say, for the orthodox Communist Party, in characteristically stiffnecked fashion, determined not to vary their hostile attitude toward the Junta. Unlike the more flexible and more adroit Luna group or the FUIS, they stubbornly refused to consider collaboration with a government which they had opposed from the outset.
27. In accordance with this position, the PCP planned to issue a Party Manifesto, originally scheduled for release New Years Eve, which was to be strongly critical of the Junta, in keeping with what they determined to be the Party line.
28. Publication of the Manifesto was held up at the last moment in view of information reported to the Party by Communist Deputy Jose Macedo Mendoza. Macedo reported to Party leaders that a series of meetings of the independent deputies was being held at which they had resolved to withhold all attacks on the Junta until the matter of Congress should be settled. Macedo recommended that as long as the possibility still existed that Congress might be called, the Party should refrain from releasing its attack on the Junta. He said he had suggested among the independent deputies that Congress itself resolve the status of the deputies of the outlawed Aprista and Communist Parties. Since the Communists had been guilty of no acts against the government, said Macedo, he believed there was a possibility that even with the Party outlawed the Communist deputies, democratically elected by the people, might still be allowed to retain their status as Congressmen, as had occurred in Chile.
29. For these reasons, Party leaders held up the Manifesto scheduled for New Years Eve release. It was not until January, when all hopes of convening the present Congress had vanished, that the Manifesto appeared.

Disciplinary Action, Resignations, etc.

30. On the whole, Party leaders were said to be well satisfied with Party discipline under the pressure of illegality. However, several important cases of indiscipline or betrayal were reported.
31. Eliseo Garcia Lazo, National Syndical Secretary and a member of both the Political Commission and the Central Committee, informed the Party that although he did not wish to resign from the Party he could no longer carry out his duties as a Party officer "under present conditions". No reports have been received as to what action would be taken in his case.
32. Sergio Caller, Communist Deputy for Cuzco and National Secretary for Economy of the PCP, informed members of the Central Committee at the end of the month that because of financial straits he was obliged to accept a position with a sales house in Lima, acting as the agent for Cuzco goods. For that reason he would be unable to continue to fill his various Party offices. Carlos Arbulu Miranda was chosen to succeed Caller as National Secretary of Economy. No further action in his case was reported.

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33. Most notorious of all was the case of Gustavo Gorriti. Gorriti had been at odds with the Party Control Commission for some time over his attendance at a banquet in honor of Manuel Prado, and with the Secretary of Economy for non-payment of his quota as one of the Communist Deputies. Gorriti argued that since he had joined the Communist Party after his election he was not bound to make such payments and had only done so in the past as a gift.
34. On 1 December a letter of resignation was received from Gorriti, and an important meeting of all members of the Central Committee in Lima was immediately called by the Secretary General to consider the matter. Giving as his formal excuse his disagreement with the Manifesto of 28 October and accusing Del Prado of publishing the Manifesto without consulting either the members of the Political Commission or the four Communist Deputies, Gorriti asked that his name be stricken from the rolls of the Communist Party and that the widest possible publicity be given to this resignation.
35. The Central Committee's reaction was one of fury and they requested the Control Commission to expel Gorriti at once, resignation from the PCP being impossible. Various members present examined Gorriti's career and began to recall several unfavorable items. There were immediate suggestions that perhaps he had joined the Party only to spy on it, acting perhaps at the instructions of APRA or the American Embassy, and it was determined to investigate at once his alleged relatives in the United States. Others present remembered that Gorriti had originally been suggested as a Congressional candidate by Manuel Prado, and they believed that Gorriti had joined the Party as a Prado agent.
36. Jorge Del Prado called attention to the fact that on more than one occasion Gorriti had sought membership on the Political Commission but had been rejected for not fulfilling the requirement of three years militancy. His request is now considered more suspicious than ever. Full investigation was ordered and entrusted to Carlos Arbulo Miranda and the Control Commission.

Correspondence and Contacts with Abroad

37. Francisco Febres returned to Lima during the month of December from Buenos Aires, where he made contact with the Communist Party of Argentina.
38. Jose Maria Quimper arrived in Lima 12 December 1948 travelling via FIA Flight No. 11/11 from Havana, returning to Peru for a short vacation on leave from the United Nations Organization, New York. Quimper got in touch with Jorge Del Prado and Jose Macedo Mendoza shortly after his arrival, and Alfredo Matthews was charged with arranging a meeting of Party leaders on 2 January at the house of Dr. Hugo Pesce to hear Quimper's report.***
39. The failure of Roberto Morena's mission to Peru on behalf of the Communist-inspired American Congress for Peace and Democracy has been previously reported.* Information concerning the Congress was received by the PCP directly from Mexico at the end of December, and the possible participation of such individuals as Lazaro Cardenas, Henry Wallace and Fulgencio Batista in this CTAL-sponsored Communist-controlled meeting was the subject of interested comment within the Party.

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40. Although information concerning the Congress was spread by word of mouth among Party members, in view of the PCP's illegal status and its absence of publicity media, no propaganda in favor of the Congress has appeared in Peru. No plans for Peruvian attendance in any capacity have been reported.
41. It is reported that during December the Party bookstore received from Mexico, for sale and distribution in Peru, a number of copies of a 243-page booklet entitled Conferencia de Informacion de los Representantes de Algunos Partidos Comunistas, Celebrada en Yolonia a Fines de Septiembre de 1947. The book is well printed and bound, and published by "Ediciones en Lenguas Extranjeras, Moscu, 1948", bearing the legend, in English, "Printed in the Union of Soviet Socialist Republics," with the statement that the material in the compilation was translated from newspaper texts "For an enduring peace, for a popular democracy."
42. A communication to the Party from Colombia, received early in December, was the first of its kind for a long period. This communication, received by Hugo Levano at the Party bookstore, was postmarked Buenaventura, Colombia, although reportedly it originated with Augusto Duran in Bogota. It stated that with President Ospina becoming weaker every day and soon to be abandoned by the Liberals, a military coup similar to that recently suffered in Peru was to be expected in Colombia. The note complained that the Communists are still persecuted and followed by the police in Colombia and are "kept manacled" by the suspension of Constitutional guarantees. It indicated that news from Peru has recently been received through Party comrades in Cali.

Local Publications

43. First numbers of a new four-page newspaper entitled Reconquista, carrying as its slogan Mariategui's famous "Peruanicemos al Peru" (Let Us Peruvianize Peru), appeared during December, Vol. 1 No. 1 being issued on Saturday, 9 December. Directors of the newspaper are Jorge Falcon and Elias Tovar, both long associated with the Communist Party of Peru. The address, telephone number and post office box number of the Empresa Periodistica Reconquista, which publishes the newspaper, are the same as those of the bookstore Hora del Hombre, previously reported as the publishers of and outlet for pro-Communist and pro-Soviet publications of all kinds. To the end of the month the newspaper appeared ultra-nationalist in tone, and no sign of the Communist affiliation of its Directors was to be observed in the paper itself.

Movement of Prominent Communist Personalities

44. Marcelo Sanchez was the only prominent Communist leader reported to have visited Lima during the month. Sanchez, Secretary of the Departmental Committee of Ancash, traveled to Lima during December to receive instructions on Party strategy to be carried out in the Provinces with regard to the Military Junta and its policies. He met on Sunday, 19 December, with Manuel Ugarte and Angel Flores de Paz at the latter's house and was brought fully up to date. After returning to Ancash he expected to travel to other departments in the north to inform local Party officials of current Lima instructions and policies.

Projected Communist Party Publication

45. Early in December a committee of representatives of the Political Commission, the Press and Propaganda Committee, and the Lima Departmental Committee were appointed to consider ways and means of improving the Party's communications with foreign countries in view of its illegal status and of the heavy censorship of all means of communication that exists within the country.

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46. This group recommended on 10 December that a liaison committee of ten or a dozen Party members be appointed to serve as the board of directors of a new magazine which they proposed to edit. For this, a small office and post office box would be hired and a commercial non-political magazine published, which would have normal contacts with other publications abroad and ultimately provide a communications channel of obvious utility to the Party. The office and post office box would provide an ideal cover address for the Party in Lima, and the use of a commercial magazine free from all Communist suspicion for code communications had been successfully used by the Party in Chile according to Cesar Nieto, the originator of the present scheme.
47. The following were appointed as stockholders, directors and contributors to the new publication:
- Jorge Del Prado
Julio Del Prado
Cesar Nieto
C. Del Pino
Victor Echegaray
Jose Macedo Mendoza
Asuncion Caballero Mendez
Guillermo Zagarra
N. Delboy
48. Each of the above will subscribe three hundred soles, providing an initial fund with which to hire office space and purchase indispensable items of supply. The first number of the publication was planned at around five hundred copies to bring in a few advertisers if possible. It was primarily intended to establish a secure address, free from all suspicion.
49. According to Nieto, five of the above had already paid their quota and the Del Prado brothers had promised their share as soon as Julio Del Prado's indemnity from Jornada was paid. Manuel Ugarte Saldana, Secretary General of the PCP will sit with the above group as Honorary Director, but will not be asked to contribute.
50. The question soon arose as to whether the funds collected by the "Pro Labor Diario" campaign, said to be some fifteen thousand soles, could be used for this publication, and the various Departmental Committees were circularized to urge them to release these funds for the new projected publication.
51. An important meeting was held on Monday, 27 December, at the Accion Feminina, Belen 1092, to report on the progress of the project. In addition to the above-named directors of the new project, other Party leaders and friends attended, among them Dr. J. Uriel Garcia, Cesar Levano, and Manuel Moreno Jimeno. Cesar Nieto reported that two thousand soles had been collected in the form of shares in the new publication, and were deposited in the Banco Internacional in Lima in his name. Jorge Del Prado announced that answers had been received by the Party Secretariat, Lima, from a majority of the Departmental Committees in favor of releasing the "Pro Labor Diario" funds for the new project. With these funds it was determined to proceed at once to obtain office space and proceed as rapidly as possible with the plan.
52. The PCP followed with close interest the government's attempts during December to form a new political party made up of labor elements to support the Odría regime.
53. According to information reaching the PCP the first of such meetings was held Wednesday, 8 December, in the Jiron Chamaya, Urbanizacion Chacra Colorada, presided over by the Secretary of the Military Junta, Javier Ortiz de Zavallos, and attended by a group of "renegade" labor leaders.

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54. A poll of labor opinion taken by Communist leaders indicated that the government's labor decrees were not welcomed by a majority of labor. They reported that Decree-Law No. 19 of 3 December, requiring a 30% share in profits by the workers, was particularly unpopular, especially among the textile workers who form the largest single labor group in the country.

25X1A 55. According to [REDACTED], the Decree-Law will deprive them of their regular quarterly bonus, their usual Christmas and National Holiday bonus and their customary right to take home odd lots of cut cloth for clothing, etc., all of which the employees have stated will no longer be possible.

56. Based on these and similar reports from other industries, Party leaders expressed their certainty that the government's attempt was bound to fail. Nevertheless, they followed these efforts closely. Communist contacts reported that similar meetings continued throughout the month, at Jiron Carhuas 343, and at Portal de Belen 170, where Ortiz de Zevallos himself presided.

Rosa Murwitz

57. Encouraged by their apparent freedom from the danger of arrest, a group of Communist leaders met in a public restaurant the evening of 22 December, the first time any such group has gathered in a public place since the Decree-Law outlawing the Party. The occasion was the birthday of Rosa Murwitz who was honored with a party at the "Chifa Men Yut".

New Years Eve Meeting

58. All Communist leaders and officials in Lima met in Brena on the evening of 31 December to discuss Party strategy and tactics for the coming year. The meeting was reported to have been attended by the largest number of Communist leaders to assemble in one place since the Party was declared illegal by Decree-Law of 1 November. The gathering was reported to have been optimistic with regard to the coming year. Although security precautions have been relaxed to the extent of allowing free use of the Party bookstore telephone, it is reported that only pseudonyms may be used in such conversations and that the New Years meeting was utilized to acquaint all those present with the pseudonyms and other code phrases required in such communications. A new meeting place was designated for the future, a house located directly behind the filling station at the corner of Avenida Salaverry and Avenida Guillermo Prescott.

B. Juan P. Luna and the Dissidents

59. The dissident Communist group led by Juan P. Luna was itself beset with dissension and division during the month of December. The most serious instance was a break between Luna and Juan Polo Diaz of the Civil Construction Workers. As a result of Luna's maneuvers in conjunction with the pro-Odría Manifestation of 13 November, Polo accused Luna of planning open collaboration with the FUIS and with the Military Junta, naming Jorge Ascoitia, Angel Marin, and E. Cerpa as Luna's supporting clique in these plans.

60. The Luna-Polo break appears to be complete, marking an important loss for Luna, for Juan Polo was reported on 26 December to have carried matters to the point of applying for reinstatement as member in good standing of the

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orthodox PCP. In requesting reconsideration of his expulsion, Polo indicated that several others of the dissidents as well as himself desired to be considered for readmission to the orthodox Party and thus to form once more a united front. Polo indicated that he had severe charges to bring against the Luna clique whom he accused of collaborating with the Military Junta in an effort to dominate the Odría-sponsored Congreso Obrero for personal ends.

61. Since final expulsion of Juan Polo from the PCP was decreed by the III National Congress****, Party leaders in Lima decided to put the matter up to the delegates to that Congress for possible reconsideration. Steps towards this end were being taken at the end of the month. Juan Polo Diaz is an important leader among the Civil Construction workers and his reincorporation into the orthodox PCP might considerably strengthen the position of the Party with reference to Luna and the FUIS.
62. Dissension also arose among the Maritime workers, generally considered to be solidly controlled by Alipio Orbegoso in support of Luna. The beginning of the incident is believed to have been the summons to the Governmental Palace of Orbegoso by Jorge Fernandez Stoll, now an Advisor of the Junta. Fernandez Stoll heaped Orbegoso with flattery, naming him as one of those on Odría's list of outstanding labor leaders. Fernandez Stoll told Orbegoso that his name had been sent to the Director of Labor with instructions to afford him all facilities, whether for personal needs or union matters. General Odría, in his desire for close relations with Peruvian labor, was ready to extend the highest degree of collaboration, said Fernandez Stoll, to those labor leaders who would cooperate. Orbegoso replied that he was preparing a National Congress of Maritime Workers for early in 1949, and he was assured that the government would give him all aid and assistance.
63. Orbegoso stated subsequently that he was skeptical of this attempt by the government to purchase labor support and he doubted the value of such efforts to bribe and manipulate labor, admitting that he had been somewhat chilly to Fernandez Stoll. He said he was waiting to see what the government had to offer when the Maritime Congress begins.
64. Fernandez Stoll was reported to be considered a good friend of the PCP at the time of his appointment. News of his offers to Orbegoso of the Luna group spread rapidly to the orthodox Party. As a result the Party now considers him with deep suspicion as being in all probability anti-PCP, or at least pro-Luna, which is the same to them.
65. Repercussions of Orbegoso's cool reception of the Junta's overtures were not long in materializing. Reportedly bribed by flattery, promises and funds, three officials of Orbegoso's Union Nacional de Trabajadores Maritimos y Portuarios del Peru, Luis Morcillo Zapata, Felipe Hunez Zurita and Pedro Minaya Alarcon in an interview given wide publicity and printed in full in La Prensa of 12 December, announced plans to call a Primer Congreso de los Trabajadores Maritimos y Portuarios del Peru, to be closely integrated with the government's Congreso Obrero. Orbegoso was to be completely ignored.
66. The government's tactics were successful. Orbegoso, long the acknowledged boss of Peruvian longshoremen, "knuckled under" at this threat to his leadership and this threatened break in his ranks. He himself personally led a delegation of representatives of the Union Nacional de Trabajadores

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Maritimos y Portuarios del Peru to the Palace on 21 December where he delivered the usual speech of fulsome praise of the Junta, receiving the customary promises in return from General Odria in person.

67. Enemies of Luna report that Luna himself, dissatisfied with Orbegoso's conceited attitude, engineered the threatened split and thus brought Orbegoso in line. No source has been able to confirm this. Orbegoso's final position, however, appears to be completely in keeping with Luna's intentions to cooperate with either the government or the FUIS in organizing the National Labor Congress. Luna is confident that he could control any such organization.

G. Frente de Unidad e Independencia Sindical

68. Few positive accomplishments on the part of the FUIS were reported during December, although it appeared increasingly certain that the group would be the "chosen instrument" of the Military Junta in the organized labor field, through the personal relationship that existed between FUIS leaders and General Odria.

69. Individual FUIS leaders such as Lino Larrea, Pedro Parra of the Taxi Drivers, and Nicolas Giraldo of Pisco continued to make widely publicized statements in support of the Junta's proposed National Labor Congress, but little concrete activity or achievement was reported.

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*** Washington Comment. This meeting, arranged by Matthews for the Party Control Commission, was reported [REDACTED]

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** [REDACTED]

CONFIDENTIAL

SECRET