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VIA Air Pouch

DISPATCH NO. [ ] -1609

PBSUCCESS/RYPAT #80

TO Chief, Western Hemisphere and  
Chief of Mission, Lincoln

DATE 16 March 1954

FROM [ ]

[ ] INFO: Guatemala

SUBJECT General - KUGOWN Operations

Specific - Labor Matters

- REFERENCES:
- a) LINC-741, 26 February 1954
  - b) LINC-901, 8 March 1954
  - c) LINC-934, 8 March 1954
  - d) LINC-993, 11 March 1954
  - e) DIR-41256, 9 March 1954

**CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED**

2003

1. Herewith forwarded is a translation of ESMERALDITE's report in answer to reference requests.

2. Should approval be given to the support suggested in reference (a) and requested by ESMERALDITE, the Mission requests advice on the type and extent of accounting procedures and receipts required, as well as suggestions for candidates which could be passed on to ESMERALDITE. The relationship mentioned in Paragraph six of reference(a) is of necessity a close one, since both men work on the same problems in the same small office.

3. It is not felt that the information furnished by ESMERALDITE in response to reference (b) is exactly the type desired by LINCOLN, but we hope it will be of some assistance. Perhaps Station Guatemala has some comments to add to Paragraph one of the attached report.

4. The information requested in references (c) and (d) will be forwarded as soon as it is received.

5. In view of reference (e), we request advice from Headquarters on the extent to which KUGOWN operations such as that discussed under Paragraph two above should be implemented through ESMERALDITE.

BIR/cav

Attach. 3 copies of report

cc: 3 - Wash. (w/3 attach.)

1 - Lincoln (w/1 attach.)

1 - Guat. (w/1 attach.)

1 - Files

[ ] Boyd I. Rolender

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Subject: THE LABOR MOVEMENT IN GUATEMALA AND ALLIED SUBJECTS

Date of Information:

Date of Report: 12 March 1954

Evaluation: C-3

Source: ESMERALDITE

1. POSSIBLE RECRUITMENT OF GUATEMALAN LABOR LEADERS LISTED BY LABOR UNION OR POLITICAL PARTY:

The following-named persons, listed by the labor union or political party to which they belong, are the ones most likely to agree to be principal agents in operations in the labor field in Guatemala:

PRG: Marco Antonio VILLAMAR, who is in bad financial straits. The Guatemalan Government has not employed him because the Communists don't want him. He is the man most responsible for the Agrarian Reform Law in the Parliament, and he is a man of high ambitions. He now wants to control the PRG. From the Secretariat of Organization of the PRG he works to accomplish two aims: (1) to be Secretary General, and (2) to launch Colonel J. Carlos DIAZ as a Presidential candidate. If an attempt were made to recruit him, he should be offered aid for the control of the PRG, and it should be pointed out to him that Licenciado Augusto CHARNAUD McDonald (who is friendly to the Communists to further his ambition of becoming President of Guatemala) provides funds for his followers, but that he, VILLAMAR, cannot make a move without the consent of CHARNAUD or his Secretariat. VILLAMAR should be made to see that if he had available funds he could also mobilize the youth and the workers of Guatemala; that DIAZ is indeed the man who could reaffirm the economic-social-political victories of Guatemala and that with DIAZ the Communists could be deposed so that the old members of the FRENTE POPULAR could come back into power; that these members of the FP would be sensible people who would stop the corruption and banalities of the Guatemalan Revolution. In short, he should be spoken to in idealistic terms but he should be supplied with ample funds.

PAR: Licenciado A. RECINOS Sandoval, present head of the DEPARTAMENTO ADMINISTRATIVO DEL TRABAJO. He should be asked to organize the PAR workers in one great bloc and try to gain control of the strong unions, to organize the FEDERACION DE EMPLEADOS PUBLICOS, independently of the CGTG. He should be "discovered" as a "future Minister of Labor of Guatemala in a Ministry independent of the Ministry of Economy".

CGTG: The person most likely to accept bribes is Carlos M. PELLECEER, Secretary of Conflicts and a Deputy. PELLECEER knows how to spend money; he has introduced, for a fee, Jews, Arabs, and Spaniards into Guatemala, and he embezzled money from the Guatemalan Embassy in Paris.

Please Note: All cutouts signify LIBAIL. Identity of LIBAIL will follow in next week's pouch under [ ] 1620.

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CNCG: [ ] who is very fond of money might well be recruited. CHARNAUD took him out of the [ ] and put him to organize the [ ] for a salary of 300 Quetzales a month plus a jeep to drive. The 300 Quetzales came from the funds of the MINISTERIO DE HACIENDA.

When the farm workers became important because of the Agrarian Reform Law, Captain Alfonso MARTINEZ bought [ ] for 500 Quetzales a month. [ ] who belonged to the [ ] switched to the [ ] and took with him the [ ]

It might be wise to talk first with Clodoveo TORRES Mosa, who is [ ] and who is not averse to money either. [ ] drinks too much now and has designs on his female employees (he tried to rape a Miss [ ] who was his secretary). Aside from money, TORRES should be offered the post of Head of the DAN.

## 2. GUATEMALA STUDENTS TO THE MONTERREY LABOR SCHOOL:

The method of selecting Guatemalan worker-students to the Monterrey school has not yet been made.

There has been talk of bringing two Guatemalan union workers; [ ] and [ ] with the pretext of having been invited by some Mexican labor union to study their movement. Their true names and nationalities would be kept secret, and pseudonyms and false nationalities would be assigned to them. Both persons would be used to undermine the CGTG in a certain group of unions.

The plan had been to bring two anti-Communist workers here through secret means, but now that anti-Communists are being exiled the plan is to bring all of them (the exiled labor leaders) to the school. Undoubtedly KUBARK would foot the bill through devious means: [ ] would not foot the bill.

In respect to the two Guatemalan young men who are now in Tegucigalpa, Honduras, and [ ] who is here: if work could be found for them in Mexico, it would be convenient to bring them here, train them (Note: ESMERALDITE offers to train them himself), and after a time send them back legally to Guatemala where they could work serenely in the union field.

ESMERALDITE claims that he suggested to his friends in KUBARK, Guatemala, that three compartmented groups be organized: GRUPO INICIAL within the official parties; GRUPO FERROVIARIO headed by [ ] and GRUPO DERECHISTA in charge of the anti-Communist workers. The three groups would be merged to fight Communism only when they mature. Any attempt made without taking such precautions would suffer the same fate as the UNTL.

## 3. THE "COMITE DE EXILIADOS SINDICALISTAS LATINOAMERICANOS":

At the conference held from 24 to 28 January [ ] approved a resolution creating a COMITE DE EXILIADOS SINDICALISTAS DEMOCRATICOS. The aim of the COMITE is to counterattack the advances made by Communism in countries such as Peru, Venezuela, and the Dominican Republic. The Communists, feigning friendship for the dictatorship, have taken over important posts, while the democratic union movement, affiliated to the CIOSL, is prosecuted relentlessly.

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The [ ] has helped the COASI (COMITE ARGENTINO SINDICALISTAS INDEPENDIENTES) to publish their paper which combats Peronism.

The [ ] has helped CONFEDERACION DE TRABAJADORES DE COLOMBIA against the dictator Laureano GOMEZ who prosecuted members of the CTC.

However, it is felt that it is not enough. It is necessary to help democratic union movement in each individual country controlled by a dictator, and there is no one better qualified to coordinate plans than exiled workers.

The Germans, properly financed by CIOSL, have caused Russia many headaches in the Eastern Zone.

Independent union members might not be able to fight the dictators politically, but they do have means of denouncing the Communists who have taken over key posts of many strong unions and the independent union members might even be able to oust these Communists.

The [ ] knows that Russia helps her Fifth Columnists inside the unions, that the dictators help to keep these Fifth Columnists in the unions; that the United States helps the dictators without demanding of them an effective uprooting of Communism and perhaps the United States is happy with the dictators' declarations that are somewhat lyrical.

On the other hand, no one helps the democratic union members. These men are exposed to Communist fire and to dictator fire. Unfortunately, the [ ] does not have, at least this year, the necessary funds for a great anti-Communist campaign for union freedom. Specifically [ ] does not have the funds to hold a Congress of exiled union members. The [ ] instead would have to resort to a congress by mail, as it were. This has two disadvantages: (1) One cannot express all one's feelings in a letter. and (2) some countries have mail censorship. The Congress would cost [ ] a sum of money that the [ ] does not have at this time.

If the above-mentioned sum of money were forthcoming, the COMITE DE EXILIADOS SINDICALISTAS LATINOAMERICANOS could have its first meeting on 1 May 1954.