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# ROUTING AND RECORD SHEET

**INSTRUCTIONS:** Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

[ ]

NO.

DATE

12 March 54

| TO     | ROOM NO | DATE  |       | OFFICER'S INITIALS | COMMENTS                                     |
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|        |         | REC'D | FWD'D |                    |  |
| 1. [ ] |         |       |       |                    | - given to me by [ ] of any interest to you? |
| 2.     |         |       |       |                    |  |
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CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

TRANSMITTAL : P  
12 MAY 1954  
(Date)

TO: [ ]  
BUILDING

ROOM NO.

REMARKS:

Tono: This is a duplicate.  
Like all studies, it has become  
somewhat dated. However, as  
you can see it was carefully  
done and Miss [ ]  
came over and checked with  
me on several points, while  
she was working on it. ~~It is~~  
please retain or destroy

FROM: [ ]

BUILDING

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14 November 1950

MEMORANDUM FOR: CHIEF, LA DIVISION

SUBJECT : Guatemalan Labor Situation With Specific Reference to the Railway Workers' Union SAMP

REFERENCES : See Tab B. Small letters in parentheses throughout text are footnote references to papers cited in Tab B.

ATTACHMENT { Copy of Biographic Sketch on Arturo ESCOBAR Cabas. See Tab A. }

The labor movement in Guatemala dates, in effect, from the October Revolution of 1944, which overthrew Guatemala's most recent dictatorship and furnished the beginnings of the present governmental regime. Organized labor has now entered national politics with a vengeance. The Arevalo Government has strongly indicated that it will bank principally on the labor vote in seeking to name its successor. The increasing political dependence of the Government on labor naturally influences its stands in any and all labor conflicts, especially those where foreign capital is involved. (a)

There are three federations of labor unions in Guatemala: The Syndical Federation of Guatemala (FSG), the Confederation of Workers of Guatemala (CTG), and the Central Regional Federation of Workers (FRET). These three are linked together by an overall coordinating committee, the National Committee for Syndical Unity (CENS). The FSG and the CTG are the two major federations. The FSG is generally considered to be the larger (it claims sixty-four industrial and ten rural labor unions, with a total of 37,000 members). The strength of the CTG, on the other hand, consists largely of farm-worker syndicates. (a) In 1944 a number of local syndicates were organized and these were unified in a federation known as the CTG. This federation continued to grow until 1946 when it began to show a rather strong Communist tinge and became affiliated with the CTAL. As a result of disapproval of this development, a considerable number of affiliated unions withdrew and organized a rival organization, the FSG. In spite of the fact that the FSG was

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formed because of objections to the leftist orientation of the CTG, ideological differences between the two organizations have now disappeared. Both are dominated by pro-Communist elements, both are affiliated with the CTAL and the APTU, both are members of a joint political action committee, the CPMI, and of a committee for syndical unity, the CUSC. Both have supported the campaign of Colonel AREBIZ for the presidency. The only reason the two organizations do not combine appears to be that the officers of neither organization are willing to step down in favor of officers of the rival organization. The difference appears a matter of personal ambitions. (c)

A very important development in the labor history of Guatemala occurred in May 1950 when a number of important labor leaders withdrew from established leftist political parties to adopt a more clearly Communist program, and organized the PROG (Partido Revolucionario de Guate-mala), a Marxist political party headed by Victor Manuel GUTIERREZ. Some of those who withdrew set up a newspaper named GUTIERRE which actually bore the hammer and sickle at its masthead. At the same time a school of Communist indoctrination was openly set up. (e) On 29 September 1950 the Guatemalan press carried the story of a raid of this Communist Jacobo Sanchez School by the Guardia Civil and classes were discontinued. Police action against the newspaper GUTIERRE appears to have been effective since no issue has appeared since No. 7, dated 13 September 1950. Although the classes of the Jacobo Sanchez School have been discontinued, the printed lessons are still being circulated in CTG circles. (f)

The most outstanding of the labor leaders is Manuel PINTO Ureaga. He is Secretary-General of the PROG, of the joint labor political action committee, and of the committee for syndical unity, and is also a Deputy in the National Congress. He was for many years a clerk on the railway and was a member of the railway union. In the early days of organized labor, 1944-46, he was a vigorous union leader, anti-imperialistic, but apparently not a Communist. However, in recent years, he has accepted the Communist Party line with enthusiasm and without variation. (e)

The second most important Guatemalan labor leader, Victor Manuel GUTIERREZ, is Secretary-General of the CTG, and of the recently organized Marxist political party, the PROG. (e) It is becoming increasingly clear that the CTG is the real Communist stronghold in Guatemala. (f) GUTIERREZ is only 28 years of age, a teacher by profession, and one of the outstanding Marxist theorists in the country. (e)

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The third leader in the country is Arturo MORALES Cubas, who is head of the consumer cooperative of the railway workers' union, SAMP. He is the most influential member in the SAMP today, and is considered "anti-imperialist" but is not as faithful as PINTO Usaga in following the party line. He is a person of considerable ability, of great ambition, and apparently very few scruples, and has a great desire for personal wealth. Although the Communists have effectively dominated the Guatemalan labor movement, the present government of Guatemala is not committed to Communism. There has been a very close cooperation between the government and the labor movement, but it cannot be said that the government dominates the labor movement or that the labor movement dominated the government; it is simply a matter of mutual dependence. (c)

Complete Communist domination of the labor movement was cracked at the end of last month by revolt within the SAMP. (This union is nearest of any in Guatemala to a labor organization as we conceive one. The SAMP has a long history; even in the Ubico regime it existed as an organization for mutual benefit, and its members feel affection for their syndicate. The SAMP has been very successful in obtaining better wages and working conditions for its members. Therefore, the SAMP is the natural place for a revolt against Communist leadership.) This revolt took place in late September and early October of this year and was led by MORALES Cubas. PINTO Usaga was expelled from the railroad workers' union and the union has withdrawn its affiliation from the FSG. Minor leaders in SAMP apparently were concerned with the great attention PINTO Usaga was giving to non-union Communist activities and therefore were willing to help MORALES Cubas in his attack. (c)

The SAMP held a special session on 22 September 1950 at which a violent attack was leveled against Manuel PINTO Usaga and other pro-Communist elements within the union. Back of this special meeting of SAMP is believed to be a realization on the part of high political authorities that PINTO Usaga's vociferous and unwavering support of the Communist party line must, with the international developments now taking place, cause great inconvenience to present and future governments as well as to the labor unions. This attack on PINTO Usaga, therefore, appears to be another step away from the far leftist position which the government had previously seemed to favor. Among the recent steps in the same direction are the closing of the Communist newspaper OCTUBRE, the ratification of the Rio Pact by an overwhelming majority in Congress, and recent anti-Communist statements made

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to the press abroad by the Guatemalan Foreign Minister. Our Embassy has been informed that the attack on PINTO Usga is being directed by Arturo MORALES Cubas, who has been viewed as the second most influential person in SAMP and is very close to Colonel Jacobo ARBENZ, whose election to the presidency of Guatemala seems probable. Besides any desire which Guatemalan political leaders may have to reduce the influence of PINTO Usga, it is said that many persons within the SAMP wish to rid themselves of a leadership which seems to be more concerned with international than with union problems. (c)

The special meeting of the SAMP was called to hear charges brought against Gerardo ESTRADA Herrera and his associates Roberto LOPEZ Ferras, Ismer GRAMAJO, Francisco PORRAS, Francisco Javier VELASQUEZ, Carlos BONILLA, Oscar BOLLAN, Armando VILLASENOR and Narciso GUERRAS. ESTRADA is a carpenter who for the past 2 1/2 - 3 years has been working with the ISCA Railway on a contract basis. It is our Embassy's understanding that he is a pro-Communist and it is known that he was one of the signers of the petition urging the Guatemalan Congress not to ratify the Rio Pact, but he is not a person of any importance. According to a well-informed source, the Executive Committee of the SAMP, headed by Adam Morales Vielman, acting under the influence of MORALES Cubas, demanded that the management of the ISCA not renew ESTRADA's contract when it expired at the end of August. The reason for this request was that the Executive Committee wished to establish a precedent for removing a considerable number of pro-Communists from the ranks of SAMP. ESTRADA, according to press reports, appealed both to the Executive Committee and to PINTO Usga as head of the FSO for reinstatement in his employment, but without success. It may well be that PINTO Usga refused to take action on ESTRADA's behalf because he did not wish publicly to oppose the Executive Committee. ESTRADA then appealed to the authorities of the Ministry of Labor and Economy, to Victor Manuel GUERRERO, Secretary-General of the CTG, and published a letter in the newspaper Nuestro Diario of September 11, 1950, signed by 120 members of the SAMP, urging his re-employment. The CTG passed a resolution late in September urging the Executive Committee of SAMP to request the reinstatement of ESTRADA. The railway re-employed ESTRADA at the insistence of the Ministry of Labor and Economy, much to the annoyance of the members of the Executive Committee. Because of ESTRADA's appeal for assistance to the CTG, which is a rival of the FSO with which the SAMP is affiliated, the special session was called to hear charges of divisionism brought against him. (c)

Therefore, the situation is that several members of SAMP had appealed to Victor Manuel GUERRERO, the Secretary-General of the CTG for support against the action taken by the Executive Committee of the

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SAMF in having one of its members discharged by the INCA Railway. This appeal caused the SAMF to hold its special session of September 22, 1950, at which the group making the appeal were accused of "divisionism" and were attacked as "Communists". An attack was then made against PINTO Usuga as a Communist and the majority of those attending the meeting seemed to be opposed to that prominent labor leader. (c)

At a second special session of the SAMF held on 27 September 1950 it was voted that three of the workers accused of "divisionism" be removed from the SAMF and from their employment with the railroad and that a petition be sent to the FSG requesting that PINTO Usuga be removed from his position as Secretary-General of that organization. Further attacks were made against PINTO Usuga from the floor of the assembly. This revolt, which was apparently led by Arturo MORALES Cubas, may well lead to the serious curtailment of the influence of PINTO Usuga in labor and political circles. So far no revolts against the pro-Communist leadership in other syndicates have taken place recently. The report of the special assembly court that the accused were guilty and should be expelled from the SAMF was approved by a vote of those attending the meeting. (c).

The Executive Committee of the FSG attended the meeting and two FSG secretaries made speeches urging syndical unity and stating that the developments within the SAMF were aiding the reaction. One of these speakers urged unity in such vigorous terms that he gave offense to the SAMF and was forced to leave the hall immediately. Particular umbrage was taken at his remark that those railroad workers who were such anti-Communists should place themselves in the ranks of the Party of Anti-Communist Unification (Partido de Unificacion Anti-Comunistas - PUA), which supported the candidacy of the outlawed YDIGORAS Fuentes and was the most conservative party of any consequence in Guatemala prior to its suppression in early August. (c)

Following this, petitions were read, signed by 110 SAMF members, asking that PINTO Usuga be removed from his position of Secretary-General of the FSG. PINTO Usuga replied that he had worked with all his strength and ability for the development of the syndical movement and for the SAMF and blamed MORALES Cubas for the present attacks on him. He concluded with the statement that he was unconcerned with what the railroad workers might think about his leftist political beliefs. After much talk the assembly voted to send the FSG a petition requesting the removal of PINTO Usuga from office in that organization. (c).

Our Embassy has received information that Arturo MORALES Cubas was directing the attack on PINTO Usuga and his followers. In an article published in La Hora on 25 September 1950, ESTRADA, RIVAS

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Arroyo and LOPEZ Porras, (signing themselves as "progressive railway workers of the SAMF") attacked MORALES Cubas on the grounds that (1) he is active in the SAMF although for more than one year he has been manager of SAMF's consumer cooperative and not a worker on the railway; (2) he is attempting to manage affairs in the syndicate which do not concern him; (3) and the cooperative's finances are in questionable shape. The "progressive railway workers" also denounced MORALES Cubas for acting under the dictates of Serafino ROMUALDI, the Latin American expert of the AFL. MORALES Cubas gave as his reason for not attending the last meeting of the SAMF the fact that he wished to avoid the semblance of putting pressure on members of that organization. (c)

There are several possible interpretations of this conflict. It may be viewed as a rivalry between PINTO Usaga and MORALES Cubas for the real leadership of the SAMF, although neither is an officer in that organization. It is reported that the majority of those individuals actively interested in guiding the SAMF are displeased with the strong pre-Communist line which PINTO Usaga has taken. MORALES Cubas has not identified himself as a party-line follower although he is unquestionably something of a leftist. Probably the rank and file of SAMF members are not conscious of the Communist factor, but they are very conscious of the power and prestige of their union, and many of them have come to resent the high-handed way in which PINTO Usaga has attempted to manage SAMF affairs. Thus, MORALES Cubas is in an advantageous position because (1) he is not thought of as a Communist among the higher-ups in the unions; (2) he is believed close to the probable future President; (3) he is personally rather popular with the general run of SAMF members. (d)

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Chief, LA Plans

Prepared by [ ]

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REFERENCES:

- (a) Memorandum for the Ambassador from Milton E. Wells, First Secretary of Embassy, dated 13 January 1950.
- (b) Guatemala despatch #289, dated 3 March 1950.
- (c) Guatemala despatch #323, dated 26 September 1950.
- (d) Guatemala despatch #345, dated 29 September 1950.
- (e) Conference of Labor Reporting Officers for Latin America; Havana, Cuba - October 16-20, 1950. Remarks by Andrew Wardlaw, Labor Officer, Guatemala.
- (f) SO-50105, 27 October 1950.
- (g) SO-48619, 26 October 1950.

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