

VIA: AIR
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RYBAT -

Lincoln

DISPATCH NO. HGG-A-683

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

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Security Information
CLASSIFICATION

2003

TO: Lincoln
FROM: Chief of Station, Guatemala

DATE: JAN 27 1954

INFO: Washington

SUBJECT: GENERAL— PBSUCCESS

SPECIFIC— Reporting of Current Developments to Lincoln

Reference: HGG-A-684

1. We have found from experience in the last few days that it is a physical impossibility for the staff of this station to make separate reports on the usual report forms of information received from various sources and get it to Lincoln in time for it to be used to advantage and properly interpreted with other information received by Lincoln without establishing some means within the station of recording promptly all information received, having it typed immediately, and having it ready for dispatch when the pouch closes. We have therefore established a system of preparing what might be called a running memorandum of developments, to which memorandum information is contributed by the various members of this staff when received by the station's many sources. Attached is the first of the memoranda.
2. It will be noted that the date on which the information is received by a staff member is set forth on the left hand side and all information in the memorandum received on that date will be set forth under that date. Information received on a subsequent date will be set forth under the date it was received. Separate items in the memorandum are numbered with evaluations being set forth as of the time that the information is recorded. The pseudonym initials of the station employee or officer are set forth on the right hand side beneath each item of information. Occasionally, appropriate comments will be made in the memorandum.
3. It will be noted that there will be one running memorandum covering several days between each date on which pouches depart. Where it is desirable to protect sources, separate identity numbers are set forth in each memorandum and Lincoln and Headquarters will be advised by cable as to the identity of each where it is considered important and by separate pouch in the absence of such necessity.
4. The utilization of this system is thought to be the most rapid and satisfactory means of reporting our coverage. Of course, from time to time cables summarizing information as it is received will be sent to Lincoln and Washington when the information is of such nature that a cable is warranted. To avoid duplication, where

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information is included in a cable it will not necessarily be set forth in the memorandum.

5. The employment of this system is, of course, subject to the approval of Lincoln and Headquarters and if there is any objection we would appreciate being advised by cable.

[]

Enclosure:

Running memorandum as noted

27 January 1954

/cmh

Distribution:

2-Linc w/att

3-Wash w/att

1-Files w/att

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MEMORANDUM

25 January 1954

1. On the afternoon of 25 January 1954 Identity 1 advised that Carlos H. RUIZ is making plans to leave Guatemala for the U.S. clandestinely on or prior to 1 February 1954; that RUIZ's wife and children currently are hiding in the U.S.; and that RUIZ himself is extremely fearful of his personal safety. RUIZ told Identity 1 that he would leave quickly in the immediate future but that Identity 1 should not worry concerning certain financial obligations which RUIZ owes Identity 1. Identity 1 described RUIZ as a high ranking official of the DAN. Identity 1 said that RUIZ is in a highly agitated state and is extremely nervous.

(F-2)

C.E.B.

2. On the afternoon of 25 January 1954 Identity 1 advised that on the evening of January 23 he was a guest at a cocktail party given by the First Secretary of the Salvadoran Embassy. Upon arriving at the residence of the First Secretary Identity 1 noticed a woman in a hysterical state attempting to call friends from the house of the First Secretary by telephone. Identity 1 was told by guests at the cocktail party that the woman's name was FERNANDEZ and that her husband had been arrested by Guatemalan authorities as they entered the premise of the First Secretary to attend his cocktail party. The same Identity 1 stated that later that night and on the following morning Mrs. FERNANDEZ and friends were told by police authorities that they knew nothing of FERNANDEZ and denied that he had been arrested.

(F-2)

C.E.B.

Comment: On 24 January 1954 Impacto, Guatemalan daily newspaper, carried an article which stated that Gabriel FERNANDEZ Giovannetti had been arrested while he and his wife were en route to a party on 23 January.

3. Identity 2 advised that about noon he saw by chance an 18 year old youth who is the nephew of Lic. Manuel ORELLANA Cardona and upon inquiry as to how Lic. ORELLANA Cardona is getting along he was informed that the Licenciado is all right but more or less in hiding and not getting out on the streets. The youth, whose name is unknown to the source, stated that he had information that numerous members of the Aero Club (civil air club with headquarters at Aurora Airport, Guatemala City) had been arrested by the government and that the government was claiming that they had been engaged in the transportation of arms and ammunition into Guatemala from the outside.

Evaluation: Immediate source - B; Original source - F; Content -

K.S.G.

25 January 1954

4. Identity 2 advised that on 25 January 1954 he was contacted at his office by Identity 3, an anti-Communist student connected with CEUA, who stated that he had received information which he considered true that Sr. Mario BOLAÑOS, a fairly prominent Guatemalan businessman; a youth named FERNANDEZ, and Rodolfo Mendoza, who is in charge of the Aero Club, had been arrested by the government.

Evaluation: Immediate source - B; Original source - F; Content - 3

K.S.G.

5. Identity 4 called to my attention on 25 January 1954 that the press had reported the arrest of the following persons: Lic. Guillermo DAVILA Cordova, who had previously been reported to Identity 4 as claiming to be a personal representative of General IDIGORAS Fuentes; Saturnino BARRERA, and Gabriel FERNANDEZ.

Comment: It is noted that in El Imparcial on the evening of 25 January 1954 it was stated that among the persons detained were Roberto CASTILLO Sinibaldi, Gabriel FERNANDEZ, Lic. Guillermo DAVILA Cordova, and José María GUZMAN, an opposition newspaper man and Oscar BERGER, the latter having been put at liberty.

Evaluation: B-Doc.

K.S.G.

6. Identity 5 advised on 25 January that Roberto CASTILLO Sinibaldi majority stock holder of Radio Ciro, disappeared on Saturday afternoon, 23 January, and that police have denied that they are holding him; that CASTILLO Sinibaldi had been approached by persons seeking funds for revolutionary purposes and when he refused to give such assistance, he was approached by the same persons for names of two radio operators to be trained in the U.S. for a couple of months, with which request he also refused to comply; that CASTILLO Sinibaldi has been talking to several of his "friends" about the requests made of him and it is conjectured that police are trying to extract the names of the persons who made contact with him. Identity 5 stated that he received the information from a source he considered reliable who claimed the information directly from the wife of CASTILLO Sinibaldi.

Evaluation: Immediate source: C; Original source: F; Content: 3.

K.S.G.

MEMORANDUM

27 January 1954

1. On the evening of 26 January 1954, Identities ⁶ and ⁷ were interviewed jointly. Both were definite in their statements to the effect that feeling against the Guatemalan government is now running as high as it did immediately prior to the 1944 revolution. Both are of the opinion that this anti-government feeling extends to all social levels in Guatemala. (Evaluation: C-3) C F 3

2. Both Identities ⁶ and ⁷ claim that the current wave of arrests in Guatemala City as well as the fiery press releases from the government describing subversive activities against the government is being done by the government for a real purpose. By arresting enough people and by crying publicly that the government is being threatened the Guatemalan authorities hope to create a sufficiently strong excuse to suspend all guarantees (declare a State of Siege.) By suspending guarantees, the government will be able to control the press in Guatemala, force the papers to print only that news dictated to them or close the papers if necessary. They will be able to control local radio broadcasting stations and possibly "jam out" foreign broadcasts. The government is desirous of controlling such channels of communications in order to keep the Guatemalan people in ignorance of what will be happening during the forthcoming Caracas Conference. The government believes it will be embarrassed at the conference whether or not Guatemalan delegates attend. They have decided to attend but will attempt to keep the Guatemalan public in the dark as to the outcome - hence its desire to suspend guarantees at home. (Evaluation: C-3) C F 3

3. Identity ⁶ claims that machine guns, mortars, rifles, ammunition and hand grenades are being sent to the Guatemalan authorities from an unknown country behind the Iron Curtain via Royal Dutch Airlines (KLM). Source stated the weapons arrive in crates and are loaded into government trucks directly from the plane. Source pointed out that few passengers travel to and from Guatemala by KLM which uses a DC-6; that those few passengers are usually Guatemalan government officials; and that the plane lands here but once each week. Source was unable to state the approximate number of items received here thus far but stated the plane has been unloading the crated materiel for the past two months. (Evaluation: C-3)

4. Identity ⁶ stated that 500 machine guns have just been purchased by the Guatemalan Guardia Civil. The weapons are of Belgian make but were brought to Guatemala from Czechoslovakia. One Frank Polasek, a local businessman, is reportedly the person who engineered the transaction. Source was unable to describe the guns. (Evaluation: C-3) C F 3

5. Identity ⁶Y stated he had learned the following from Identity Z: During the religious pilgrimage held January 13-16, 19 at Esquipulas, Guatemala ("Black Christ of Esquipulas") 156 men had crossed the Honduran-Guatemalan border to attend the pilgrimage. Instead of just those 156 men returning to Honduras, Identity Z states 500 had crossed into Honduras and that they made their way to the border village of Nueva Ocotepeque, Honduras. From there they were taken by truck to an unknown point in Honduras. Identity Z was of the definite opinion those 500 Guatemalans were recruited to fight against the Guatemalan government and that they will return to Guatemala with others soon. (Evaluation: C-3) CEE

6. Identity ⁶A stated that Colonel Alfonso ALGARA Piloña has just been appointed by the Guatemalan government to act as Military Attaché and Consul in Nueva Ocotepeque, Honduras. His duties will be to attempt to keep track of individuals who jump the border. Source was amused at the assignment as he believes everyone in Guatemala City now knows of Colonel ALGARA's "secret mission." (Evaluation: C-3)