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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

**CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED**

FROM:

WH/III

**2003**

NO.

DATE

TO: (Officer designation, room number, and building)

D

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

REC'D

FWD'D

1.

C/CA

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17 JUN 2003

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DD/P 4 - 26

27 June 1958

MEMORANDUM FOR: Deputy Director, Plans

SUBJECT: Springfjord Case

1. We have no information indicating that the British intend to approach the Agency or U. S. Government for a settlement of the outstanding claims arising out of the sinking of the Springfjord during PBSUCCESS.

2. In addition to the information contained in recent cables from [ ] 669 - In 44755; and [ ] 678 - In 46430) concerning the attempts of the lawyer Rafael VALLS to negotiate a settlement of the case and his expulsion from Guatemala, certain other factors indicate that the British are very interested in obtaining a settlement of the claim at this time.

3. Guatemala City Embassy Despatch No. 794, dated 12 June 1958 reports on the intentions of Mr. G. Dennis DOWNING, a British businessman resident in Guatemala, and agent for the General Accident Fire and Life Assurance Corporation, Ltd., of London, to approach the Guatemalan Government as representative of the underwriters of the Springfjord to obtain settlement of the claim. It appears that Mr. VALLS' activities may have been related to the unofficial efforts mentioned by Mr. DOWNING.

4. The Embassy Despatch also reports that, according to Mr. DOWNING, his approach to the Guatemalan Government would be made at the same time as the presentation of a new note from the British Legation to the Guatemalan Government pressing for settlement of the claim. Possibly connected with the proposed new British note is a recent request received by FBIS from BBC requesting information on broadcasts concerning the Springfjord by "Radio Liberacion" during the Guatemalan revolution of 1954. FBIS records for this period have been destroyed.

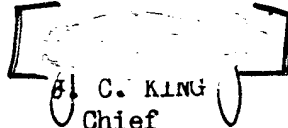
5. Your attention is called to the statement in Paragraph E of [ ] 669 (In 44755) in which VALLS stated that if his talks in Guatemala were unsuccessful, he intended to recommend a concerted diplomatic effort by the United States, Great Britain, and the Netherlands to obtain settlement of the claims.

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6. As can be seen from the above, there are thus far no indications that the British intend to ask the Agency or the U. S. Government to pay the claim. It is, therefore, recommended that we take no action at this time.

  
C. KING  
Chief

Western Hemisphere Division

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