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SUBJECT Escape Channel Employed by Luis Penaloza and Augusto Cuadros Sanchez 25X1A2g NO. OF PAGES 1

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Additional background information has been obtained on the channel employed by Movimiento Nacionalista Revolucionario (MNR) leaders, Luis Penaloza and Augusto Cuadros Sanchez, when they escaped from Guayamerin the last of October 1948.

1. The pilot who aided Penaloza and Cuadros in their escape from detention by the Bolivian Government was ex-Major Walter Arce, a pilot for the Bolivian airline, Lloyd Aerea Boliviano (LAB). He had held a commission as major in the air force until it was discovered that he was active in the Logia Fadepa. Arce has been in the employ of LAB for several years and he makes repeated trips into the area of Riberalta and Guayamerin carrying supplies and cargo. It was during one of his trips between 26 October and 1 November that Arce succeeded in smuggling Penaloza and Cuadros aboard his cargo plane.
2. Arce is reported also to have been instrumental in aiding other MNR members now being detained by the Government in this area. He delivers packages, letters, money, etc., from friends and relatives in La Paz, and from MNR members not being held by the Government. He is said to be a link of information and a courier between the Party leaders being detained and the MNR Deputies in the National Legislature.
3. Arce's activities were the subject of discussion at a recent meeting of the MNR held in the home of Felipe Reque Lozano, Villa Esmeralda, Avenida Busch, Miraflores. Reque has been conducting clandestine MNR meetings for several weeks, which have been attended by MNR leaders at large, Deputies of the Party in the National Legislature, and some military personnel.

This document is hereby regraded to ~~CONFIDENTIAL~~ in accordance with the letter of 10 October 1979 from the Director of Central Intelligence to the Archivist of the United States. Next Review Date: 2025

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 NO CHANGE in Class.
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CLASSIFICATION ~~CONFIDENTIAL~~

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