

UNCLASSIFIED

CONFIDENTIAL

SECRET

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:			TELEPHONE NO.		DATE	
Chief, FI/Plans/Cove [] 1701 L					18 October 1954	
TO	ROOM NO.	DATE		OFFICER'S INITIALS	TELEPHONE	COMMENTS
		REC'D	FWD'D			
1. Chief, WH (Attn: [] WH/3)	1-046 Barton hall	Oct. 18		[]		1. Contents orally given to Col. King by [] on 15 Oct 1954.
2.						
3.						
4. WH []		Oct. 18	Oct. 18	[]		
5. DC/WH		Oct 18		[]	[]	4-5 IP5: Total loss of cargo = \$1,542,000 IP7: Estimate that British will claim \$1,500,000 for ship.
6. []						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003

Office Memorandum • UNITED STATES GOVERNMENT

CS-1240 TO : Chief, WH Division
(Attention: WH/3)

DATE: 18 October 1954

FROM : Chief, FI/Plans/Cover Division

SUBJECT: S/S "SPRINGFJORD" (British)

Reference: WH Memorandum for Record dated 12 October 1954

1. Reference advised that the above mentioned vessel was reported to have been bombed in San Jose harbor, presumably by rebel planes, on 27 June 1954. In addition, we were informed that the firm of Bigham, Engler, Jones and Houston, hereinafter to be referred to as BEJH, had cabled the U. S. Embassy in Guatemala City seeking assistance in developing the facts surrounding the loss of this vessel and cargo. We were asked whether, through any of our contacts in the marine insurance field, we might discreetly develop the desired information without betraying any U. S. Government interest. On 14 October 1954 Acting Chief, Cover Division, Plans/FI, personally discussed this matter with a highly placed official in one of the largest insurance companies located on the East Coast. The results of this meeting are set forth below.

2. On 27 June 1954 the representative of the Board of Underwriters in New York stationed in Guatemala cabled his New York headquarters reporting the loss of subject vessel, allegedly as the result of bombing by rebel planes. This incident was immediately reported to the American Cargo War Risk Reinsurance Exchange, Room 1610, 99 John Street, New York, New York. That organization, of which 99 percent of the American marine insurance companies are members, in turn notified all those companies that had insured the cargo of the loss sustained. There were 78 such firms. The amount of the loss shared by the firm contacted by this division was \$127,879.88.

3. The company file contained a bulletin, No. 1173, captioned as above, which read as follows: "Messrs. Bigham, Engler, Jones and Houston are presently investigating the possibility of recovery of this loss from the Republic of Guatemala." "Subscribers are requested to send all documents concerning claims they have paid to the attention of Mr. Oscar Houston of that firm." This bulletin was dated 16 August 1954 and was issued by the Loss Committee, of which one E. C. Steinert is the secretary.

4. Our contact explained that BEJH is one of the leading New York law firms active in the marine field. They represent the American Cargo War Risk Reinsurance Exchange and are expected in each case to press every loss for possible recovery whether that be through settlement or law suit. Our source had no idea to what extent or by what means or through what facilities BEJH would investigate this claim to establish responsibility for the loss.

5. A "Statement of Closing of Claims" dated August 1954 showed the total loss to be \$1,592,000. This amount was spread among the 78 firms that had insured the cargo. We learned that two companies had substantially all of the "over-riding coverage." They were the Boston Insurance Company for \$632,762.09 and the Providence Washington Insurance Company for \$488,700. The total of these two is \$1,121,462.09. The person that we contacted said there probably was one other company that participated in this "over-riding coverage," to bring the total of the reported amount of the loss to be \$1,592,000. He will attempt to identify that company for us. He explained that these principal concerns had reinsured with the many others which we have already reported totalled 78.

6. The principal items in the cargo were cotton and coffee and we have been promised copies of the cargo list itself which will show exactly what was on the vessel.

7. The individual that we saw had very little information concerning the loss of the vessel itself, although he did display a letter dated 6 July 1954 received from his claims manager in London, which read in part as follows:

"The government here has taken this matter up officially and asked the Governments of El Salvador, Honduras, Mexico and Nicaragua for information. These governments all stated that they had no knowledge. The governments stated the aircraft belonged to the insurgent forces.

"A claim for compensation to the owners has been submitted by the government and the theory is that as the new de facto set up is a coalition between the new and old elements of the Guatemalan Government the British Government are entitled to present claims against that new combined government."

Our source stated in explanation for the direct participation by the British Government that they are privileged to so act under British law because the loss was one sustained under "conditions of war." We have been promised detailed information about the loss of the vessel because our man has said it will be easy for him to normally develop this through the vast facilities of his own company. Of course U. S. Government interest will not be revealed, even to anyone else within his own company. He estimated that the British claim for the loss of the vessel would probably be in the neighborhood of \$1,500,000.

8. As additional information and/or documents are received they will be forwarded to you promptly. If you have any questions regarding this, please communicate with [] on X-8764.