

17 JUNE 54

~~SECRET~~

DIRECTOR

C J

WH (1-2)

COP (3), WH (pbs) (4,5)

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

C J 271 (IN 19227)

0053Z 18 JUN 54

ROUTINE

TO: DIR SLINC

INFO: SGUAT

CITE: C J

RYBAT JMSWAG

1. RECOMMEND FOLLOWING FOR KUGOWN EXPLOITATION.

2. MANUEL PINTO USAGA, GUAT CONSUL GENERAL IN MEXICO UNTIL 20 JUNE, HAS APPROACHED FERNANDO GAY AND LIC JAVIER BELAUSTEGUIGORTIA, SPANIARDS NOW IN MEXICO CONSTRUCTION BUSINESS, WITH FOLLOWING PROPOSITION: PINTO AND ARBENZ AGREED NOW TIME TO GET MONEY OUT OF GUAT. WANT TO SHIP 100,000 BAGS COFFEE TO MEXICO FOR DOLLAR SALE AND MACHINERY IF QUESTIONED. COFFEE (WORTH \$8,000,000) TO BE SHIPPED BY RAIL TO TAPACHULA AND MEXICO FREE PORT COATZACOALCOS UNDER BOND. PINTO AND ARBENZ TO APPOINT COVER SHIPPER IN GUAT, TRANSACTION TO BE HANDLED BY MEXICO BANCO INTERNACIONAL S.A. TRUSTEE IN MEXICO TO BE APPOINTED TO RECEIVE PROCEEDS. PINTO LEAVES MEXICO O/A 20 JUNE, WILL MAKE FINAL ARRANGEMENTS WITH ARBENZ AT SCHEDULED 22 JUNE MEETING IN GUAT. WILL THEN APPOINT COVER SHIPPER AND NOTIFY GAY. COFFEE TO BE SHIPPED SOON THEREAFTER, PROBABLY

~~O/A 27 JUNE~~

3. AGENT [ ] BROUGHT IN ON DEAL [ ] AND REPORTED ABOVE TO C [ ] IS ENTHUSIASTIC OVER POSSIBILITIES KUGOWN EXPLOITATION and will keep C [ ] ADVISED DEVELOPMENTS.

4. C [ ] RECOMMENDS FOLLOWING ACTION: EXPOSE OF DEAL (WITH NO MEXICAN NAMES MENTIONED) TO BREAK IN GUAT TO SOW DISTRUST AMONG "PALACE GUARD" AS WELL AS INDICATE THAT GUAT HIGH COMMAND FEELS THEIR TIME IS UP. EXPOSE CAN BREAK EITHER WHEN NAME COVER SHIPPER IS LEARNED OR (PREFERABLY) WHEN FIRST SHIPMENT COFFEE IS ACTUALLY ON WAY, SINCE THIS SUSCEPTIBLE OF PROOF IN GUAT. TIME ELEMENTS DEPEND ON PBSUCCESS SCHEDULE.

5. ESSENTIAL NO PREMATURE EXPLOITATION BE MADE TO PREVENT COMPROMISE VALUABLE AGENT [ ]. EXPLOITATION MUST AWAIT OUR CABLE TO LINC OF NAME COVER SHIPPER

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OR NOTIFICATION COFFEE MOVING.

✓. WILL KEEP LINC AND DIR NOTIFIED OF DEVELOPMENTS. REQUEST COMMENTS  
ESPECIALLY REF TIME ELEMENT.

END OF MESSAGE

C J 271 (IN 19227A): 17 June

Correct para 2, Lines 1-2 to read:

"2. Manuel Pinto Usaga, Guat Consul General in Mexico until 20 June,  
has approached Fernando Gay and Lic Javier Belausteguigortia"

Correct para numbers to read 1 through 6

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