

VIA: **COURIER**
(SPECIFY AIR OR SEA POUCH)

Lincoln
DISPATCH NO. **HGG-A-1180**

~~SECRET~~ PBSUCCESS RYBAT
CLASSIFICATION

JUN 11 1954

TO : **LINCOLN**

DATE: _____

FROM : **Chief of Station, Guatemala** []

INFO: **Chief, WHD**

SUBJECT: **GENERAL—**

SPECIFIC— **Guatemalan Government Interest in Local Gasoline Supply**
Reference: GUAT 757

Enclosed for receiving stations is a copy of a memorandum on above subject, dated 9 June 1954, and prepared by Mr. Andrew B. Wardlaw, First Secretary of Embassy.

Clara M. Heagey

Enclosure: as noted

10 June 1954

GME/cmh
Distribution:
2-Linc w/att
2-Wash w/att
1-Files w/att

12 JUN 1954

~~SECRET~~ PBSUCCESS RYBAT
CLASSIFICATION

FORM NO. 51-28A
MAR 1949

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003

~~SECRET~~

Mr. Ambassador
Mr. Krieg

June 9, 1954

A. B. Wardlaw

CONVERSATION WITH ROBERTO ~~SARAVIA~~

Today in the course of a conversation with Roberto SARAVIA, local Esso Manager, at the Rotary Club, he informed me that yesterday Jorge TORIELLO summoned him to his office and asked him whether he had received any information about plans for shutting off gasoline deliveries to Guatemala or had been instructed not to bid on products for sale to the Guatemalan Government. He informed Sr. Toriello that he had received no information on this subject and had not been instructed not to bid for Guatemalan Government business. Sr. Toriello then requested him to inform him immediately in the event he should receive such information or such instructions.

Sr. Saravia remarked that he felt certain that Toriello was in close contact with President ARBENZ on this matter and was following up the President's questioning of last week at the President's instruction.

He said that the question about not bidding for Guatemalan Government business probably arose from the Esso's failure to submit a second bid on a proposed purchase by the Guatemalan Government of 5,200 barrels of lub oils and grease for the Atlantic Highway. He explained that under the Guatemalan purchasing system, sealed bids are received on proposed purchases but that when these bids are opened the unsuccessful bidders are given an opportunity to submit second bids lower than that submitted by the original low bidder. However, in the case in question, the low bid was submitted by Luis FIGUEROA, who quoted on delivery of Sonoco oil, his quotations being approximately \$0.25 per gallon for oil and \$0.06 per gallon for grease lower than the Esso quotations. Mr. Saravia explained that Mr. Figueroa's quotations were on a so-called standard grade of Sonoco lubricants and not on a premium grade, and that while Esso could offer standard products at competitive prices, the company was not interested in making such a sale because it would eventually result in much dissatisfaction for which the company would be blamed. Sonoco has no regular market facilities in Guatemala.

Mr. Saravia also explained that the Highway Department is requesting bids for 2,800,000 gallons of motor gasoline

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and on a similar quantity of Diesel oil. These quantities would be delivered over a period of time through normal distribution channels, and hence the request for these bids does not indicate an effort by the Government to create a reserve of these products.

Mr. Saravia also remarked that he had learned from a friend in the Air Force that beginning two days ago the Guatemalan Air Force has maintained a plane in Guatemala City, one in San José, and one in Puerto Barrios, ready to intercept planes making unauthorized flights over Guatemalan territory.

on
was map 14 June 54

cc: Mr. Fisher
Mr. Daugherty (3)

ABW/dkp

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