

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

VIA AIR POUCH

RYBAT  
PBSUCCESS  
~~SECRET~~  
CLASSIFICATION

DISPATCH NO. [ ] 1649

TO : LINCOLN

DATE: 4 JUNE 1954

FROM : [ ]

INFO: CHIEF, WHD

SUBJECT: General - Operational.  
Specific - Reports by WELLBANK.

REF: HULA-955; LINC 3330; [ ] 1055.

Attached hereto are three reports submitted by WELLBANK in compliance with above references.

[ ]  
PHILIP L. PURWELL

INCLOSURES:

Reports--WELLBANK....4 pages.

PLP/hdw

4 June 1954

DISTRIBUTION:

- 2-LINCOLN w/encls in duplicate.
- 2-Washington w/encls in duplicate.
- 2-Files w/encls in duplicate.

~~SECRET~~

~~SECRET~~

From WHEELBANK:

Ref: ~~WULR-955~~

F. A. G. E.

Evaluation of F.A.G.E.:

A. Reasons for moribund state in Salvador:

There are lack of bodies in El Salvador. The active operational work is in Tegucigalpa; therefore, energetic and ambitious exiles are there near the heart and source of power. As reported previously the overt leaders of F.A.G.E. appearing on the masthead of EL COMBATE are:

Licenciado Luis CORONADO LIRA--just returned from Mexico Anti-Communist Congress--general assistant to SEQUIN.

Federico PAIZ HERRERA--brother-in-law to CALLIGERIS and according to SEQUIN completely incompetent. He is presently operating Radio Crystal, a strictly commercial operation needing a subsidy and doing little or nothing for the propaganda cause.

Eduardo TARACENA de la Cerda--in charge of F.A.G.E.'s Intelligence Service in El Salvador as well as EL COMBATE distribution. He is a smooth talker who produces masses of unchecked "intelligence" at the drop of a hat.

Licenciado Carlos SALAZAR hijo--in Tegucigalpa running CEUAGE according to SEQUIN.

Coronel Antolin GONZALEZ--in Tegucigalpa helping CALLIGERIS according to SEQUIN.

Capitan Rene FERNANDEZ ALFARO--in Honduras according to SEQUIN.

Alberto MOLINO MENCAL--workhorse of EL COMBATE. He and Luis CORONADO LIRA are the men on whom SEQUIN relies the most.

The above are the bodies, not many in number. However, there is another factor, i.e. SEQUIN's attitude which I surmise reflects CALLIGERIS' and other powers in Tegucigalpa. He feels that with so few resources in men and money emphasis should be placed on getting the "show" underway as soon as possible and especially while the ambiente in Guatemala is so favorable. He is so completely harassed with the movement of men over borders, documenting them, getting them out of jail, buying equipment (from watches to cars), that he has never been able to think in relatively long term periods (two weeks or a month). He also feels that due to the illiteracy in Guatemala many of the psychological warfare techniques useful in Europe can not be applied

~~SECRET~~

~~SECRET~~

- 2 -

successfully in Guatemala where direct action is most effective. To what extent he reflects CALLIGERIS' thinking I do not know. However, of the last \$4,000.00 (5/22) little more than one-half was spent on propaganda operations. He is now talking about money for a new car which CALLIGERIS wants him to buy in El Salvador and send to Honduras.

B. How to obtain immediate improvement:

Because of security reasons I have exposed myself only to SEQUIN (except for 10 minutes with TARACENA in company with SEQUIN who explained to TARACENA that I was passing through and needed immediate information). I suggest, if LINCOLN thinks it will not prejudice other operations, such as the arms movement etc., that I broaden my contacts to include MENCAL and possibly LIRA in order to get more first hand information about the operations of F.A.G.E. in Salvador, and to increase my points of influence and at the same time relieve the harassed SEQUIN from some of the pressure which I must apply if I am to give LINCOLN the minimum of what they ask. SEQUIN might resist this suggestion but will go along when he realized that it will relieve him of some of the burden. I will not act until hearing from you as the security factor is important. At present, I am well established security-wise but am limited in usefulness by SEQUIN's limitations in time. This could limit my usefulness in El Salvador for a longer period of time but might make me more effective for the shorter period.

C. Is outside help necessary? in Tegucigalpa for Salvador?

Not at present. I must get more facts and must determine where outside help should be applied.

D. Is condition of F.A.G.E. hopeless?

Can't say yet but in El Salvador it is only a name.

E. Suggest that Radio Crystal be liquidated and money saved--using it to buy time on some of the better Salvador Stations which are in Guatemala. Items used could be as strong as those in EL COMBATE. I see no other group which could be mobilized in El Salvador in a short period of time. Of course, I have not been in touch with the ERRATIC group.

~~SECRET~~

~~SECRET~~

From WELLBANKS

Meeting with SEQUIN

3 June 54 10:00 a.m.

Checked the possibility of broadening my contacts with SEQUIN. He is definitely opposed to my meeting with more contacts asserting that he can do all that we need and that it would be extremely dangerous to bring others into the picture at this time. He reiterated that our propaganda is often late and impractical. He agreed that we should buy time one hour a week from one of the two strong Salvadoran radio stations to combat the neutralist ambiente here. He also agreed that Radio Crystal should be liquidated.

In discussing F.A.G.E. he emphasized that it was a bluff but a fairly good one--that the greatest opposition force to the Guatemalan regime and largest anti-Communist organization was within Guatemala "all the propaganda they need now is arms".

In view of SEQUIN's strong position on the matter and the relative mediocrity of LIRA and MENOCAL, I do not suggest that I broaden my contacts to include them at this time.

Enclosed is a statement made by AGEUS which appeared in LA PRENSA GRAFICA 3 June 1954. (Enclosed is one copy to LINCOLN) Could you phrase a specific answer to be used in local press and on local radio? One point would be that both Salvador and PEPRIME are against intervention in the Western Hemisphere and should join forces to combat it--they are on the same team.

~~SECRET~~

~~SECRET~~

From WELLBANK:

REF: LINC 3330

SEQUIN has talked with Antonio ALVAREZ VIDAURRE, Jefe de Protocolo, de Relaciones Exteriores who confirms that [ ] is in the Salvadoran Embassy in Guatemala City. [ ] is free but SEQUIN doesn't know whether he is underground or not. [ ] is presumably in the Ecuadoran Embassy but no firm check has been made from here. SEQUIN says that few major files have been seized.

[ ] who operated a group in Guatemala City from outside the country, was in San Salvador 2 June 54. He was ordered back to Tegu. by CALLIGERIS. [ ] stated that his second in the Guatemala City organization was not captured but that the arrested persons-- [ ] and [ ] were workers (peons) in his organization. [ ] arrested according to SEQUIN, belonged to another Guatemala City group and traveled over the country for the cause.

SEQUIN emphasized that this was not a fatal wound, that the organization is cutout and that replacements would be made as they were in his case. Antonio ALVAREZ VIDAURRE, Salvadoran Jefe de Protocolo, asked SEQUIN about ERRATIC. SEQUIN replied that he had no part in present plans and was a man who liked "to sit down at the table when dinner was served".

~~SECRET~~