

CIA HISTORICAL REVIEW PROGRAM  
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2003

VIA AIR POUCH

EXEMPT  
FROM ACCESS  
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CLASSIFICATION

DISPATCH NO.

538

TO : LINCOLN

FROM : [ ]

DATE: 31 May 1954

INFO: CHIEF, WHD

SUBJECT: General - Operational  
Specific - Reports by WELLBANK.

REF: HULA-864; HULA-880; and HULA- 904.

1. Transmitted herewith are four reports from WELLBANK, three of which are referenced and the fourth, in regard to disbursement of funds for SEQUIN.

2. The reports were written by WELLBANK with change by [ ] only in use of cryptonyms.

[ ]  
PHILIP L. PURWELL

INCLOSURES:

WELLBANK Reports.....8 pages.

31 May 1954

PLP/hcw

DISTRIBUTION:

- 2-LINCOLN w/encls as noted above in duplicate.
- 2-Washington w/encls as noted above in duplicate.
- 2-Files w/encls as noted above in duplicate.

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Organization and Plans of Opposition:

Positive knowledge of SEQUIN's organization in DTFROGS on plans of opposition has been hard to check as to quality and has been meager in quality and quantity. His intelligence service is headed by [

He has access to all movement of travelers in and out of Gonzalez through any means of legal transportation.

A two hour meeting the night of 25 May with SEQUIN was my first completely relaxed meeting with him. I presented the problem of opposition moves to him; he admitted its importance and agreed to stop up activities in this direction and volunteered the following:

- A. Santos Loria--A Guatemalan exile in Salvador is probably a spy for Guatemala. His story is that the Salvadoran Embassy in Guatemala City refused him political sanctuary and so he asked the Chief of Guatemala City Police, Cruz Wer, for help and the latter allowed him to leave there. He talks an anti-Communist line, often appears with Ydigoras and one time tried to strike up a conversation with SEQUIN on the anti-Communist theme.
- B. Galindo Pahl (probably Pohl), Salvadoran Minister of Culture, is very left and suspected by SEQUIN's group.
- C. It is rumored that Osorio was a member of a Communist cell when exiled in Mexico before 1944.
- D. There was a border incident near San Cristobal between Salvadoran and Guatemalan troops during the week ending 22 May 54.

I am not yet in a position to place an evaluation on the above information, and pass it along for what it may be worth.

The Guatemalan Military Attache in San Salvador, Colonel "Tiko" VAEGAS, implied in a discussion with a local reporter that SEQUIN was under control of Guatemala. If consciously done this could have proved a very effective counter-blow to us since SEQUIN is the key figure here. After two weeks of dealing with him I am convinced that SEQUIN is G.R. [

Mario Monteforte TRENDA, writer and former member (perhaps president?) of the Guatemala Congress under AREVALO was guest of Casa Clark last week leaving morning of 24 May. According to SEQUIN he is active apologist for the AREVALO regime and very pro-Communist although his principles can be colored with cash. He was visited by two unknown Salvadorans and by

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[ have asked JURAMENT, a friend of [ ] and merchant of San Salvador. I ] to find out what [ ] relationship with TOLEDO is.

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Contact with SEQUIN 2:00 p.m. on 27 May 1954.

1. The following have entered El Salvador for purpose of kidnapping Dona Odilia Castillo Amas:

Hamon Granda K. - professional Communist/<sup>killer</sup>~~KAPPAX~~ and chief of "training" in Guatemala--believed to be Cuban.  
Adan Salazar Zuleta  
Enrique Diequez Silva  
Salvador Melvanes  
Silvio Contreras Blanco

They will presumably meet with Justino Amadeo Gudiel, pseudonym used by Chief of Intelligence of El Salvador opposition. A guard has been thrown around Dona Odilia's house.

2. Consuelo Segura, cashier at Hlopango Airport Bar is contact for Guatemalans. Is contacted regularly by Guatemalans from their Embassy here and has been observed in Campo Marte conversing with Guatemalans.

3. Afrain Oliver Chacon, primero oficial at the Guatemalan Embassy is Communist in charge. He runs opposition in El Salvador.

4. A strike was attempted on IRCA in El Salvador to be timed with Honduran strikes and was put down by forceful action of Osorio & Co. No one was jailed however.

5. [ ]

6. One night last week (dates unknown) a car crossed the border at San Cristobal with four men at 12:03 a.m., spent most of the day in Santa Ana, proceeded to San Salvador, circled Osorio's private house in Flor Blanca twice and then returned to Guatemala. Details as to names are vague here. This could be casing for possible action such as assassination of Osorio which would throw El Salvador into chaos.

[ ] has much disconnected information. His lists of travel movement seem of great value. He now informs SEQUIN that he has penetrated the "Ministry of Political Police".

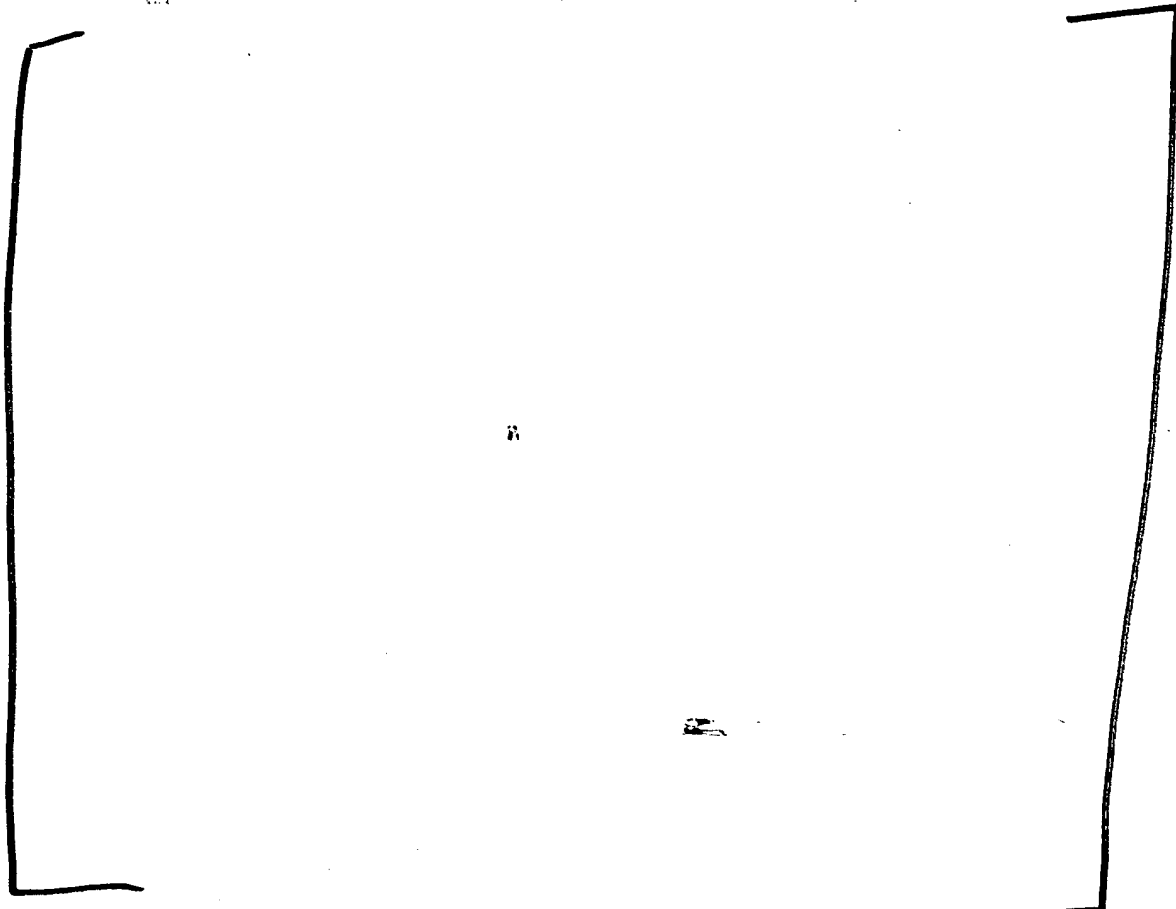
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In reference to HUL-A-364.

EL COMBATE & F.A.G.E.

Business with SEQUIN is increasing to such an extent that it no longer can be handled in the car on rides through the country. For this reason a "sage house" was acquired on 25 May and was initiated with a 9:00-12:00 a. session with SEQUIN. We were more relaxed, under much less pressure and had a real chance to check each other and throw ideas back and forth. The [ ] was passed at the end of the meeting and a receipt received in SEQUIN's true name. [ ] now holds the receipt. This "house" which is a furnished apartment will only be used when long discussion sessions are necessary. The car is still effective for business of short duration and for passing of material.



EL COMBATE is actually edited and managed by Alberto M. LINO Menocal who lives in the Boardinghouse, the same pension used by SEQUIN.

Have taken up your criticism of articles aggressively defending capitalism with SEQUIN. He sees the point and has already spoken to Menocal. He also gave Menocal the four articles from the Panama papers and will

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either use them himself or plant them. Your three themes will be pushed as suggested as will a feeling of increasing urgency.

Since there were no unsubsidized delegates from DIFROGS going to the anti-Communist Mexican Congress, SEQUIN has asserted Drs. Jose VALMORE Castro and Jose ORTIZ Narracz from the Defensa Social Salvadorena to attend. They left for Mexico City 27 May 1954.

General Information:

- A. SEQUIN leaves for Tegucigalpa 29 May and returning 31 May 54.
- B. Am gradually developing social contacts among Salvadorans. Nothing to report except that people with whom I have talked are prone to adopt a neutral position, assume the struggle is between two competing giants and that it doesn't make any difference to them who wins. They have no sense of urgency or of personal involvement. Could give you the name of [ ] present, young and beautiful mistress, if useful.
- C. Am one of the few PEPRIME citizens on the DIFROGS Tennis Club team. Have been lucky with this Club; it has put me into circles which few of us touch.

Distribution of EL COMBATE as stated by Eduardo TABACONA de la Cerda.

1300 copies mailed in DIFROGS to Government officials, business men, police, schools, universities, etc.

500 copies mailed throughout Latin America to press, radio, educational institutions, government officials, etc.

1500 copies distributed through committees in Honduras, Nicaragua and Mexico.

2000 copies sold on streets of San Salvador and Santa Ana.

5300 Total distribution.

I can't vouch for the quantity but the percentage is probably correct. TABACONA claims that there is a great demand in Santa Ana.

They are aware they are not getting copies into WSIRVENT and when pushed say it is too dangerous to risk exposing their clandestine channels and nets when the latter are needed for passage of men, material, etc. The border is becoming dangerous and tight and they hate to attempt it with EL COMBATE when propaganda material can be promulgated through the clandestine radio. Given the radio, they argue that the result of pushing through

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more copies is not worth the risk. They are getting some copies in with travelers. I will discuss this again next week with SEQUIN after his return from Honduras.

Several men picked up on the border 25 May by Salvadoran police were sprung from jail in San Salvador two days later by SEQUIN. In Guatemala the picture would have been different and the men are becoming very reluctant to take unnecessary chances unless the reward is worth the risk.

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From: WELLBANK

In reference to HUL-A-904.

Have discussed matter of propaganda volunteers very carefully with SEQUIN. He stated categorically several times after I continued to press and explore that there would be no such volunteers in DTF. the following reasons:

- A. The Guatemalans in exile are very hot and could not return safely which would be necessary if they were to be of any usefulness. Only the exiles have the brains and initiative to be useful in this work.
- B. The pool of Guatemalans in DTFROGS other than exiles who could qualify is non-existent.
- C. The exiles are all assigned now and could not be spared even though they could be safely used---which they can't.
- D. There are no Salvadorans that SEQUIN knows who have sufficient maturation to be trusted and who could qualify.
- E. F.A.G.E. in terms of numbers is a bluff and exists only on the masthead of EL COMBATE

I'll continue to check this matter but at present am prone to agree with SEQUIN.

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FYI FROM WELLBANK:

Approximate percentage breakdown of last **E** **J** passed to SEQJIN  
25 May 1954.

EL COBRATE	30%
RADIO CRYSTAL	10%
PASSING MEN (WSEBENT to DTFRGS TO WSHOOPS & RETURN)	50%
MISCELLANEOUS OPERATIONAL	10%

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100%

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