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SECRET
INTELLIGENCE REPORT

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COUNTRY: Switzerland/Spain
SUBJECT: Report from Spanish IS Representative on Georgian Activities.
ORIGIN: Bern
EVALUATION: F-0
DATE: Inio: 8 March 1948
Dist: 24 March 1948
DIST: Wash (2), [] (2),
[] (1), Files (2)
Michal KEDIA

SOURCE: []
SUB-SOURCE: Marquis d. VILLALOBAR, Spanish IS Representative

1. Source recently had a conversation with the Marquis Carlos de VILLALOBAR, Spanish IS representative in Switzerland, formerly stationed in Bern and now in Geneva. The conversation, ^{followed} lines of general interest until the Marquis gave Source the following information concerning the Georgians.

2. Translation of Source's report:

"First we learned that Michal KEDIA requested a Spanish visa and that the Marquis was inclined to refuse it on the grounds that the Spanish IS did not have the necessary facilities to watch KEDIA and especially to penetrate the latter's group. We offered the suggestion that as of the time that Grégoire BERIDZE started to travel frequently to Spain, it was useless to try to watch him or KEDIA. The Marquis then told us that BERIDZE had ingratiated himself with a colonel in Madrid, actually VILLALOBAR's chief. The Marquis deplored the facility with which anyone could approach the Spanish colonels in the intelligence service and said that it would be necessary to have a complete reorganization of their CE services. He does not believe that BERIDZE is repeatedly returning to Spain because the latter has not indicated this in his visa applications at the Spanish Consulate. VILLALOBAR believes that BERIDZE is very dangerous; however, the heads in Madrid do not think that, at least for Spain, BERIDZE is dangerous inasmuch as he has invested very large sums in the Tetouan mines and in the end it is Spain who controls that country. Whereas we have no hold on KEDIA, the Marquis ended."

3. "According to the statements of the Marquis, KEDIA's line into Spain borders closely the "ZAIMOV" line of Col. Stoyan ZAIMOV, ^{cl P} Bulgarian Military Attaché in Bern. The letter drop used by ZAIMOV into Spain is, according to the Marquis, a former Spaniard, now a naturalized citizen of Geneva, Armando ESTIVALIS, born in Spain 1906, merchant, with business at 5 rue Rossi, Geneva, director of the

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2.

"AGRUVA" company, an import-export office for food stuffs. Two individuals are working with ESTIVALIS: René BERENQUER and R. BAUDIT. BERENQUER lives at 9 rue Vuache, Geneva. He is an optician by trade with his place of business at 10 rue de la Cité de la Corderie. BERENQUER travels to Spain occasionally in order to buy material necessary for his work. He has taken several letters to Spain for KEDIA. It should be noted that ESTIVALIS and his company "AGRUVA" do no advertising for business and the name is not in the telephone book."

Field Comment:

see WEL 4418, 17 Mar 48, 8 in Lond.

Grégoire BERIDZE arrived in Switzerland from London the last week of February. He is reported to have come to Switzerland to arrange some financial affairs and to open a bank account for his wife. He immediately sent for EGGY, the chauffeur of the Cuban Minister in Paris. Mme. BEPIDZE has said that her husband is founding a company in Switzerland for the sale of automatic pencils which Eugen LANG is manufacturing in Spain. This company will facilitate BERIDZE's financial transactions between various countries. KEDIA received twenty-five thousand Swiss francs from BERIDZE for living expenses in Switzerland for the year. The last report on BERIDZE is that he left for Spain via London where he has no difficulty in obtaining a Spanish visa. This explains why the Marquis VILLALOBAR is ignorant (or pretends to be) of BERIDZE's frequent trips to and from Spain. Also BERIDZE has promised KEDIA to arrange for a Spanish visa in London for the latter which would also by-pass VILLALOBAR's territory. It would appear that KEDIA's chief problem now is to make certain his re-entry visa for Switzerland. If that is obtained, it can be assumed that KEDIA has established excellent contacts in Switzerland, probably with KNECHT, Federal Police Inspector for the Canton of Geneva, or with the Alien Police.

If BERIDZE has ingratiated himself with the Spanish IS as VILLALOBAR reports, it would seem highly possible that KEDIA will receive a Spanish visa eventually unless BERIDZE himself prefers having KEDIA remain in Switzerland. If there is any basis for VILLALOBAR's statement that KEDIA's and the Bulgarian ZALOV's lines running into Spain are closely connected, we hope to find some trace through our Source in view of the recent developments described in 863 of 15 March 1948 (Washington only).

Traces:

BERIDZE: MSBA-274, MSBA-487, MSB-1216, MSB-1316, MSB-1375, MGHA-1838.

EGGY: MSB-1314, 1375.

ESTIVALIS: Communist; member of Centrale Sanitaire Suisse; travels Switzerland, Paris, Spain on behalf of that organization. (Source: February 1946).

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3.

VILLALOBAR: MSBA-338, MSBA-537, MSB-W-278

ZAIMOV: MSB-494, 533, 922, 1180, 1355; MSBA-421, 202;
BERN Nos. 220, 575, 735, 792; MAV-227; WEL-2463, 2703,
2808; PIRA-2075.

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