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The Legal Attache's Office at Quito has assisted the Bureau's domestic field in many ways. In one instance involving a Selective Service fugitive from Alaska, it was possible to follow his activities and advise the Bureau of his departure from Ecuador in a home-made sloop in order that he could be taken into custody and held to answer the Selective Service charge pending against him. The fugitive, [redacted] had not been heard from since January 25, 1941, until it was ascertained that he was sailing in the Pacific waters off the west coast of South America. X U

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One of the principal exports of the Republic of Ecuador to the United States is balsa wood, which is vital to the Allied war effort in the production of airplanes. Many balsa wood mills have been surveyed by SIS representatives in Ecuador, and it has been necessary to constantly guard against activities which would indicate an endeavor to sabotage this strategic war industry. One instance of an attempt to sabotage a shipment of balsa wood from Ecuador to the United States was received in September, 1943, when an employee at the warehouse of J. H. Monteth Lumber Company in New Jersey stepped on a match which ignited the sawdust and shavings in the warehouse where the balsa wood was stored. It was reported that matches were found in the bundles of balsa wood. Inquiry undertaken in Ecuador with regard to this incident disclosed the act of placing matches among the bundles of balsa wood could not have occurred in Ecuador inasmuch as the matches in question were the common kitchen-type match which is not sold in Ecuador and is not available in that country. X U

Another questionable case involving a fire which destroyed the Kaufmann Balsa Wood Mill was thoroughly investigated by our representatives, and no evidence of sabotage was found in this instance. X U

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The coverage of Communist activities in Ecuador has been unusually good because of [redacted] Pedro Saad, Communist labor leader of Guayaquil, Ecuador. This informant, [redacted] who has spent many years in Latin America and who was active in [redacted]

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[redacted] which he in turn reports to the Legal Attache. The Communist Party in Ecuador was not recognized by the Government of Arroyo del Rio, which was overthrown by a revolt instituted on May 28, 1944. Because of the sympathy of the new Government established under Velasco Ibarra, it is expected that the Party will play a much more important part in local developments. A leading Communist, Jean Mariguet, who was imprisoned by the Arroyo Government, has already been released and Communist leaders including Pedro Saad and Enrique Gil have served in posts in the provisional Government. The Communist Party was affiliated with Alianza Democratica Ecuatoriana, which organization was responsible for the overthrow of President Arroyo del Rio. X U

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