Information has been received from an outside confidential source to the effect that there exists a possibility of an armed revolution against the incumbent government in Ecuador. This information, reportedly received from a member of the Asociacion Revolucionaria Nacionalista Ecuatoriana and from Jose Maria Plaza, alleged that there exists at the present time a large amount of armaments on one of the haciendas belonging to the Plaza family, which armaments consist chiefly of machine guns. Plaza is reported to have stated that this group already possesses sufficient arms to hold up the city of Quito, and with the additional arms being purchased from Colombia, they will have a sufficient quantity to arm the populace for a general revolution. Leonidas Plaza was given as the individual who would head the revolution, which was described as having as its origin an endeavor to bring Velasco Ibarra into Ecuador from Colombia. Funds are being collected for the forthcoming political campaign, and money is being forwarded to Velasco Ibarra in Colombia for his assistance.

It is stated that the government is aware of the action taken by the A.R.N.E. group, and that they are quite calm with regard to preparations being made by Ibarra as they do not think he will have a chance to become President. With regard to the support of Ibarra by the Plaza brothers, it is stated that they are not interested in Ibarra becoming President, but are simply using his popularity to drive the present government from office. It is further alleged that the A.R.N.E. group is aware of this situation and are hoping to profit by the disturbance and produce a man of their own party who, with nationalistic tendencies, will embrace the Gran Colombia scheme and form an anti-United States bloc in this part of South America.

The above data has not been verified by investigation. However, this information is being made available to the American Embassy at Quito, Ecuador.

cc - Assistant Chief of Staff
0-2, War Department
Washington, D.C.
Attention: Colonel L. R. Forney

cc - Director of Naval Intelligence
Navy Department, Washington, D.C.