

S-E-C-R-E-T
Security Information
IAC-M-63
6 March 1952

INTELLIGENCE ADVISORY COMMITTEE

Minutes of Meeting held in Director's
Conference Room, Administration Building
Central Intelligence Agency, on 6 March 1952

Director of Central Intelligence Agency
General Walter Bedell Smith
Presiding

MEMBERS PRESENT

- Mr. W. Park Armstrong, Jr., Special Assistant, Intelligence,
Department of State
- Major General A. R. Bolling, Assistant Chief of Staff, G-2,
Department of the Army
- Rear Admiral R. F. Stout, acting for Director of Naval
Intelligence, Department of the Navy
- Major General John A. Samford, Director of Intelligence,
Headquarters, United States Air Force
- Dr. Walter F. Colby, Director of Intelligence, Atomic
Energy Commission
- Brigadier General Richard C. Partridge, Deputy Director for
Intelligence, The Joint Staff
- Mr. Victor P. Keay, acting for Assistant to the Director,
Federal Bureau of Investigation

ALSO PRESENT

- Mr. Loftus E. Becker, Central Intelligence Agency
- Dr. Sherman Kent, Central Intelligence Agency
- Dr. H. M. Chadwell, Central Intelligence Agency
- [redacted] Central Intelligence Agency
- Mr. Ludwell L. Montague, Central Intelligence Agency
- [redacted] Central Intelligence Agency
- [redacted] Central Intelligence Agency
- Mr. William C. Trueheart, Department of State
- Mr. Myron Burgin, Department of State
- Brigadier General John Weckerling, Department of the Army
- Mr. R. W. Guenther, Department of the Army
- Mr. L. F. Woodruff, Department of the Army
- Captain Kenneth C. Hurd, USN, Department of the Navy
- Commander R. H. Caldwell, Jr., USN, Department of the Navy
- Colonel Edward H. Porter, Department of the Air Force
- Colonel J. C. Marchant, Department of the Air Force
- Colonel James F. Pinkney, Department of the Air Force
- Colonel S. M. Lansing, The Joint Staff
- Lieutenant Colonel W. A. Simon, The Joint Staff

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Approval of Minutes

1. Action: The minutes of the last meeting, 28 February 1952 (IAC-M-62) were approved.

Probable Developments in
Guatemala through 1952
and Possible Consequences
for US Security Interests
(NIE-62)

2. Action: Approved as amended.

3. Discussion: The discussion centered mainly on the question of the effects on the existing government of an economic crisis in Guatemala (para. 7, under "Conclusions"). On the one hand, the State Department held the view that there was the possibility that an economic crisis would inspire the administration of President Arbenz into vigorous remedial action and anti-Communist measures which might prevent a serious increase of Communist influence or Communist control of the government. This was based to a considerable extent on the assumption that influence, external to Guatemala, might have the effect of strengthening his position and on the indications that the loyalty of the Army to the President is firm and not likely to be easily perverted by the Communists. Furthermore, the Department of State considers the attitude of the Guatemalan people unsympathetic to the Communists even though they have at the moment no strong anti-Communist organization or leadership.

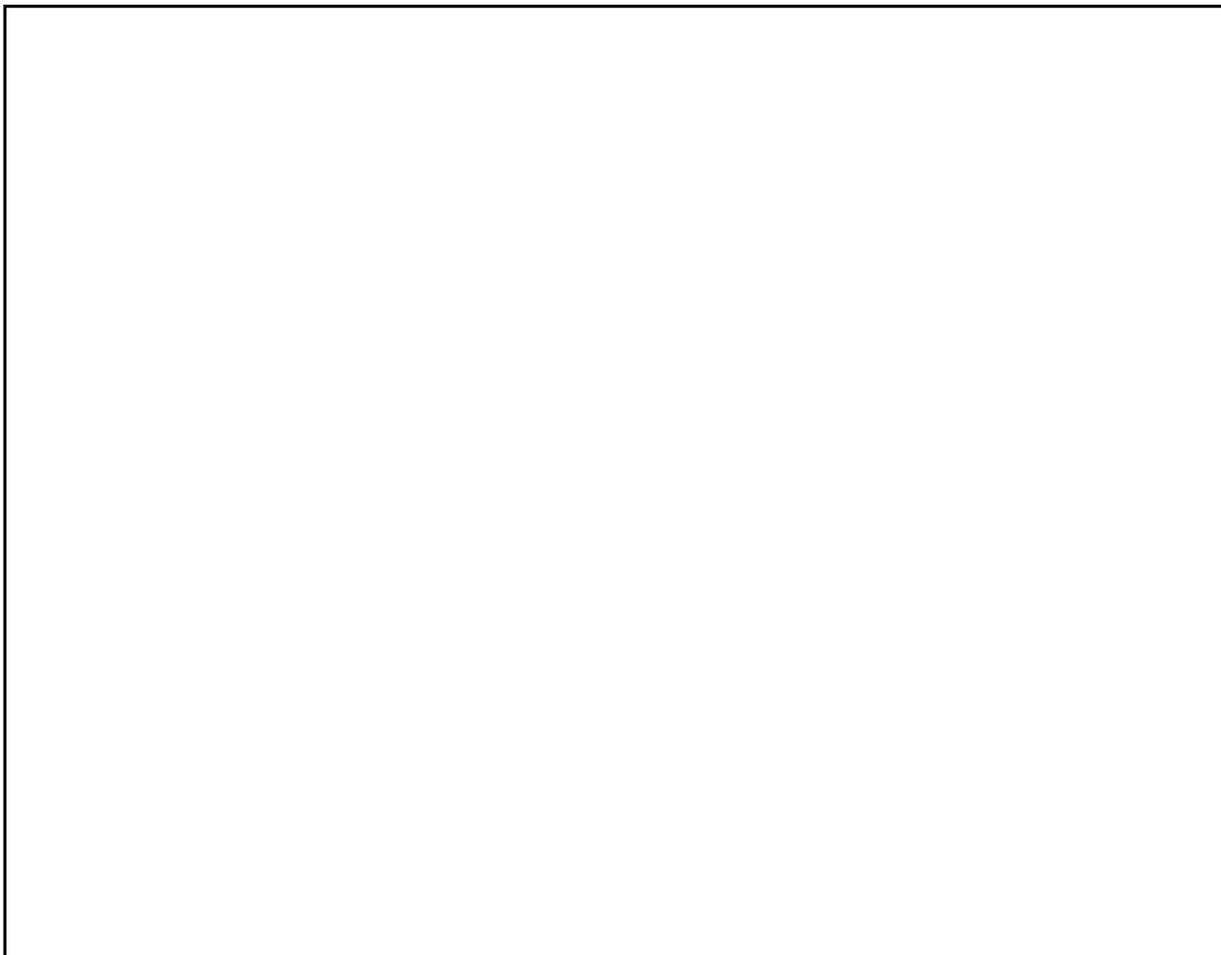
4. On the other hand, General Smith, in support of the paragraph as written and in opposition to the State Department's view, doubted the moral and physical strength of President Arbenz to move decisively, as intimated in the foregoing, to meet an economic crisis. While Communist control might not be effected immediately, he believed the trend in its direction could not likely be restrained. He pointed to the strong position of the Communists, who, as a protest group, could play upon the crisis, minimizing decisive measures of the President or condemning his inaction. He recognized the present loyalty of the military, but doubted its incorruptability. The members associated themselves with the language of the paragraph referred to in the analysis of General Smith with the exception of the State Department which preferred to indicate its view in a footnote.

5. It was the consensus that the A-2 footnote in the draft regarding paragraph 8, which emphasized the effect of continued Communist influence on the anti-Communist forces and the Army, should be added to the paragraph.

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Atomic Energy Estimate
(IAC-D-10/6)

10. Action: This estimate was approved as submitted, it being noted by Dr. Chadwell in his presentation that the Atomic Energy Panel had concurred on the basis of their examination. It was the consensus that this was the best report yet prepared on this subject by the Joint Atomic Energy Intelligence Committee. It was agreed that the DCI should, in his transmittal of the estimate to the Joint Congressional Committee on Atomic Energy indicate (a) that there had been no need to use the panel of consultants since there was no disagreement among the agencies, and (b) that the next semi-annual estimate would be submitted in early fall since new data are expected by late summer. If, however, events between now and then indicate the necessity for an interim estimate, it would, of course, be transmitted to the Congressional Committee. The letter to the Committee will be coordinated with the agencies prior to transmittal. It was agreed that a sanitized version of the report would be prepared by the Joint Atomic Energy Intelligence Committee for wider dissemination.

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