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21 April 1954

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of Weekly PBSUCCESS Meeting - Deputy Director, Plans,
20 April 1954.

PRESENT: CIA - Mr. Bissell, Mr. Wisner, Mr. Barnes, Col. King, []
Mr. Roosevelt, [] Mr. Esterline.]

Department of State - Mr. Raymond Leddy.

1. Mr. Wisner opened the meeting with a discussion of operation WASHTUB, and the confusion that had resulted from the [] report of additional sightings. [] stated that in the opinion of the LINCOLN station, [] was probably improving on the story we had given to him. Mr. Wisner directed that a cable be dispatched to [] asking for clarification and/or confirmation of this matter. He further directed that a paper be prepared summarizing the affair.

ACTION: []

2. Mr. Wisner asked that a series of questions be prepared for presentation to Ambassadors in the areas of interest to PBSUCCESS. He stated that the Ambassadors would not be called upon to prepare written papers in answer to these questions, but in all probability they would be asked for a verbal report. Submitted herewith are the questions to be presented to Ambassador Willauer:

- a. What would be the effect on United States - Honduran relations if PBSUCCESS were postponed or cancelled? Would this have a significant effect upon President Galvez and his political stature in Honduras?
- b. Is there a possibility that the withdrawal of United States [] from PBSUCCESS could result in a coalition between

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Calligeris and Carias which could in turn unseat President Galvez?

Questions to be presented to Ambassador Whelan, Nicaragua:

- a. What is your best estimate of the effect on United States - Nicaraguan relations if PBSUCCESS were postponed or cancelled?
- b. Would the withdrawal of support at this time, in your opinion, have any effect negative effect upon the stability of the SOMOZA Government?

Questions to be presented to Ambassador Puerifoy, Guatemala:

- a. What is your best estimate of the Communist time-table in Guatemala for the next six months, and what effect would the cancellation or postponement of PBSUCCESS have upon that time-table? Would this withdrawal, in your opinion, necessarily aid Communists in consolidating their position in Guatemala by November, 1954?
- b. Who should have the responsibility for developments in Guatemala subsequent to a successful coup d'etat; i.e., who is responsible and who will do the job?
- 3. For the benefit of who was not present at the Saturday morning meeting with the Assistant Secretary of State, Mr. Holland, Mr. Wisner briefly reviewed the significant developments during that meeting, and Mr. Holland's subsequent talk with Gen. Smith in which he recommended cancellation of PBSUCCESS forthwith. Mr. Wisner then went on to state that ~~the~~ Gen. Smith had expressed his desire to review the status of PBSUCCESS and its future sometime during the weekend of 24 April 1954.

*In what form will
be made -
what should
be part of Sec
with Smith & Holland
for*

*John
Puerifoy
to part of
the group
for*

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4. Mr. Wisner asked *C* whether he had brought with him material to be used by Mr. Holland in his positive attack against Communism in Guatemala. *C* advised that he had with him several papers applicable to the subject.
5. At Mr. Wisner's invitation, Mr. Raymond Leddy stated that he had talked with Mr. Holland at length re the blocking out of material and requirements pertinent to the project reviewed with Gen. Smith. He advised that Mr. Holland had detailed him to prepare the necessary paper for the review. Mr. Wisner emphasized to Mr. Leddy the importance of the Assistant Secretary sorting out those things which he will allow to go forward, regardless of what action is taken on the paramilitary program; i.e., radio broadcasts, designation of propaganda and penetration operations. Mr. Wisner was also emphasized to Mr. Leddy for the Assistant Secretary's benefit, of *the necessity of* our preserving flexibility and manoeuverability. He stated that we reserved the right to reexamine at some future date segments of the project which were cancelled, *TOWARDS* in view of reactivating those segments; i.e., black flights.
6. For the record Mr. Leddy again stated the official Department of State position (Mr. Holland) vis-a-vis PBSUCCESS: *FAULT?*
- a. That the project as presently conceived is in *face* a dishonorable way of accomplishing our aims and objectives in Guatemala, particularly in view of the statement made by the Secretary of State at the OAS conference,

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- at which time he stated that we would not interfere in Latin American domestic affairs.
- b. That the degree to which Ambassador Willauer had associated himself with President Galvez and members of his staff, had clearly identified the project with the official United States Government.
 - c. That the Assistant Secretary had modified his original position vis-a-vis PBSUCCESS to the effect that he had agreed to the continuation of certain phases of the program with the exception of the paramilitary program.
7. Mr. Wisner commented upon Mr. Holland's opinion that documentary evidence may not be necessary in establishing an intervention case against the United States. It was the general opinion of those attending the Saturday morning meeting that the Assistant Secretary felt that a strong circumstantial case could be as effective as actual evidentiary material.
 8. Mr. Wisner commented briefly on the technical surveillance (SWEEP) of the American Embassies in Tegucigalpa and Managua. He indicated that although a definitive report had not been yet received, initial indications were that the security of those installation is very poor.
 9. Attention was directed to the job of preparing a paper to be submitted at the high level meeting review at week's end. Mr. Wisner directed that Mr. Barnes and [] remained in Washington to assist in preparation of the paper and authorized [] to call members of the Lincoln staff to headquarters is he considered their presence necessary.

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10. Mr. Wisner asked those present at the meeting whether they had heard the Walter Winchell broadcast Sunday in which he exhibited a typical Guatemalan propaganda poster directed against the United States and then exhibited an anti-Communist poster with the statement, "This is what we are doing." Mr. Wisner asked Mr. Leddy whether he knew what transpired in the meeting between the Assistant Secretary and Mr. Thomas Corcoran, General Counsel for the United Fruit Company, and whether there could be any connection between these two incidents. No one present knew conclusively how, where, or when Mr. Winchell got this bit of information. It was conjectured, however, that it might have come from the United Fruit Company. Mr. Leddy indicated that he would attempt to find out what subjects had been discussed by Mr. Corcoran and the Assistant Secretary.

ACTION: Mr. Leddy

11. The subjects of [] resigning from the indigenous group caused Mr. Wisner to ask [] to present his views and indicate what action had been taken on the matter by Lincoln. [] stated that he believed [] was resigning for the following reasons:

- a. His general state of health has been poor for some time and he is not getting any better.
- b. Dissatisfaction with the lack of support and treatment he received in Mexico.
- c. Dissatisfaction with his relative lack of prestige, influence, and control of the group.

[] stated that a staff officer from Lincoln had carried [] letters to [] in order that Calligeris might read them. The staff officer had been instructed to prevail upon Calligeris

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to read the letters and present a strong appeal to [] for his continuing support.

12. Mr. Wisner advised Mr. Leddy that in his opinion and in the opinion of others, he had too much responsibility for the post-coup period in Guatemala. He asked Mr. Leddy what the Department's role would be in that post period. Mr. Leddy advised that the matter would be taken under consideration. He felt that a philosophy paper which he had read in draft would have considerable effect upon the "post" period. [] advised that the particular paper which Mr. Leddy made reference to had not been used because it was found to be objectionable to some people. He further stated that Calligeris had then written and published a similar paper on Mexico and Honduras. Mr. Leddy indicated his desire to read the paper and he was advised that it would be made available to him, as well as to other members present.

ACTION: Mr. Esterline

13. Mr. Leddy stated that the Assistant Secretary had instructed him to make a daily check of developments in PBSUCCESS. He indicated that he was particularly interested in current information on:

a. The status of the 5 million dollar Guatemalan arms purchase from Czechoslovakia.

(1.) Mr. Leddy said the Department could have shipment stopped on land if it were located, and that very probably it could be done at sea if a friendly flagship were carrying the material. He indicated, however, that if an Iron Curtain flagship were carrying the material, it might take an incident

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to stop the ship.

(2.) Mr. Wisner advised Mr. Leddy that a top-flight staff officer was devoting full time to the task, and that ONI is throwing its weight behind the effort.

b. The activities of Col. Julian (Black Eagle). Mr. Leddy stated that Col. Julian was the principal purchasing agent for the Guatemalan Government. He indicated that the Department felt some action should be taken to interfere with Col. Julian's activities on the part of Guatemala. Col. King advised Mr. Leddy that in his opinion Julian had never been able to accomplish anything. Mr. Esterline, through his contact with the Arms Trade would endeavor to find out what Julian is doing currently, and make a determination as to whethersome action should be taken on our part to bottle-up Col. Julian.

ACTION: Col. King, Mr. Esterline

14. Mr. Wisner stated that in connection with the subjects discussed in 13 above, some question had arisen as to the advisability of interfering with the progress of Czechoslovakian couriers who are expecting to leave for Czechoslovakia in the near future. Mr. Wisner stated that although we had the capability to intercept these men, the act had very definite policy implications and therefore he would like to have a clear decision from the Assistant Secretary prior to taking any such action.

ACTION: Mr. Leddy

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15. Mr. Leddy stated that the Assistant Secretary had a question in his mind as to the true reason for Col. Diaz' trip through Central America. He stated that the Assistant Secretary did not consider the female angle to be of any real significance. He requested that some attention be given to ferreting out the reue purpose. Col. King indicated that Col. Diaz was under constant scrutiny and in fact, he was the major target of a high level defection operation scheduled to take place in the next month.

ACTION: Col. King

16. Mr. Leddy stated that he was meeting Mr. "X" again on Saturday, and wanted to know if we had any specific recommendations re his modus operandi here on out. He again noted that the documentary evidence re distribution of arms to other than the army in Guatemala had been of considerable value to him in his talks with Mr. "X". He added that Mr. "X" is much interested in getting additional information. At this point Mr. Wisner made it a matter of record that we have been remiss in providing Mr. Leddy with material, but that we will attempt to improve in this respect.

ACTION: []

17. Mr. Wisner briefly reviewed the "Appreciation Outline" prepared by Mr. Roosevelt, and assigned responsibility for preparation of material indicated therein.

18. The meeting adjourned at 1400 hours with the understanding that the participants would meet again at 1700 hours for a current briefing on the project to be conducted by []

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