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ER-5-6467

MEMORANDUM FOR THE RECORD

8 June 1954

SUBJECT: Notes on Meeting with Messrs. Pawley and Hensel

1. Agreed State Department will forthwith advise KMFLUSH Ambassador that aircraft would have to be sold to his government without right of return to the United States, the title would have to pass in the U.S. before delivery of planes to KMFLUSH, but that if his government so desires we could explore with FOA possibility of making payment by deposit of irrevocable letter of credit payable in thirty days.
2. Agreed that Defense will explore nature of contacts between U.S. military mission in WSBURNT and Sanchez with a view to inviting Sanchez to travel to the United States.
3. Agreed desirable withdraw FOA mission from WSBURNT forthwith but keep military missions there. FMB to get in touch with Stassen or others in FOA. (Later call from Hardesty of FOA necessitated review of this decision.)
4. State and Defense reported they will make complete plans to invite Velasquez, WSHOOPS' Chief of Staff, to the United States.
5. Agreed Defense Department would explore possibility providing two Air Force technicians with CE background to be hired as civilians by WSHOOPS government. This arrangement would be with full knowledge of WSHOOF government and individuals' function would be to prevent sabotage. Mandelstam will prepare specific proposal and submit to Lt. Colonel Holmberg in Hensel's office.
6. Discussed inconclusively feasibility of:
 - a. Denouncing U.S.-WSBURNT reciprocal trade treaty as suggested in EMBTEL 866 of 2 June from WSBURNT.
 - b. Possibility of official finding Battle Act Prohibition on shipment of strategics which would be applied to WSBURNT. Presumably Pawley will discuss these suggestions in the Department.

CIA HISTORICAL REVIEW PROGRAM
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RICHARD M. BISSELL, JR.
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for Planning and Coordination

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