

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

PBSUCCESS

Air Pouch

INUL-A- 137

~~2003~~
~~SECRET RYBAT~~

2 March 1954

LINCOLN

KUGOWN

Notes for Transmittal to Frances R. HEGARTY

1. The attached sterile notes are for transmittal to Frances R. HEGARTY and for his study. They should be returned to the Station files after perusal.

2. It is important that Stirling D. PRINCEP familiarize himself with the contents of the notes and also bring them to Stephen R. LUGTON's attention.

JEROME C. DUNBAR

2 March 1954

Distribution:

2 - []
2 - Washington
3 - LINCOLN

Attachment

~~SECRET RYBAT~~

2 March 1954

1. This is to inform you of certain general developments in your area of responsibility. As you know, Pancho has the military responsibility and [] has the responsibility for your area of action. According to arrangements made between [] Pancho and us, you and your counterparts were supposed to supply the details of the propaganda budget prior to 1 March. For obvious reasons, you yourself could not meet this schedule. What has happened now, however, is that Pancho has gone right ahead and submitted a propaganda budget, without consulting [] This constitutes something very close to a breach of the Agreements.

2. Juan Jose is arriving shortly to discuss this and other problems with Pancho. In the course of the discussion, Juan Jose will point out that he will speak to you, as the representative of [] in the field, and obtain your budget recommendations for transmittal to [] [] and the Group will then finalize the propaganda budget.

3. Juan Jose will want to know from you, when you make your budget recommendations, the following:

- a. Salaries by name of employee and function.
- b. Cost of rental of buildings.
- c. Cost of equipment.
- d. Cost of printing.
- e. Cost of mailing.
- f. Cost of hand distribution.
- g. Cost of other type distribution. (state type)
- h. Cost of travel. (where and by whom)
- i. Cost of other functions. (indicate types).

4. It is therefore important that you initiate as soon as possible discussions with the people with whom you are working, in order to ascertain their needs. Conduct your discussions with tact, but quietly give the indication that you are professionally reviewing their needs. Indicate that you have an open mind as to whether they should get more or less than Pancho requested on their behalf. Indicate also, very discreetly, that you are doing this with an eye to informing []

5. Upon receipt of your recommendations, Juan Jose will bring them to us. The funds finally allotted will be given to you for passage in the name of [] (and to the extent diplomatically necessary, in the name of Pancho). As Juan Jose will explain to you, in the meanwhile you may draw such funds on a short-run basis as are necessary to sustain the operation until a budgetary determination is arrived at.

6. We appreciate that, the foregoing complex of problems may create certain personal difficulties for you. We know of your capacity to exercise the maximum tact. However, as you will understand, this issue must be resolved if we are to maintain any sort of control. You are to leave the burden of the problem of control to Juan Jose, but you must be prepared in your own sphere to elicit the necessary information and to make the necessary recommendations that will give you, in the eyes of the people with whom you are working, the authority that goes with your function.