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EYES ONLY

30 March 1954

MEMORANDUM FOR: Chief, WH

SUBJECT : Progress Report - PBSUCCESS for the Period 23-29 March 1954

I. Operational

The following events of operational significance occurred during the reporting period:

- A. [] travelled to Headquarters to make final arrangements for his trip to Guatemala City under non-official cover on a high level defection mission. [] will accompany [] on this mission in the capacity of interpreter/body-guard.
- B. It was reported during the week that [] inadvertently passed two copies of Lincoln Pouch Manifest No. 17 to Stephen R. Lugton who in turn passed them to Carlos Lemus Gallardo of the Calligeris group. The pouch manifest in question was sealed within the pouch and because of the bulkiness of the pouch itself, [] neglected to open it to remove the manifest. When Lugton received the pouch which contained photographic supplies for passing to the Calligeris man, he naturally assumed that the manifest had been removed. Lugton reported that it would be difficult to determine exactly who saw these documents without directly questioning Calligeris and Lemus. Since Lemus can read a little English, he no doubt showed the manifests to Calligeris when he realized what he had in his hands. Besides the obvious compromise of cryptonyms and the conclusive proof to Calligeris and Lemus of U.S. backing and participation, there is a possibility that these documents have been photographed as Lemus has set up an excellent reproduction laboratory.
- C. On 23 March [] agreed to black flights into Nicaragua. As a result, three flights were scheduled for the week: one on 26 March and two on 28 March. All flights carrying personnel and equipment for the Sherwood Program arrived and departed on schedule. ✓
- D. [] arrived at Headquarters from Lincoln on 26 March to confer on FP matters relative to PBSUCCESS. [] travelled to Headquarters from Mexico City to confer on FP matters of interest to PBSUCCESS.
- E. [] PBSUCCESS communications officer, travelled to Lincoln during the week to work out final details for the Sherwood Program. It is anticipated that the Sherwood Program in Nicaragua will be operative approximately 15 April 1954.

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- F. The polygraph team arrived in Honduras as scheduled. To date both Calligeris and [] have been cleared.
- G. Instructions were given to [] to brief Gen. McBride on the general objective of the PBSUCCESS Operation on a need-to-know basis.
- H. The distinguished American who travelled to Central America in the interests of PBSUCCESS was successful in obtaining the support of []
[] Although unsuccessful in his first attempt to see []
[] he has returned to El Salvador and a report of his visit with [] should be received in the next two days. ✓
- I. Significant PP activities during the reporting period are as follows:
1. A campaign was initiated in Santiago, Chile, to oust the Guatemalan Ambassador.
 2. [] started a campaign to show that the only pro-Guatemalan support at the OAS Conference was by Communists.
 3. [] attacked Guatemala because of its vote on racial discrimination.
 4. [] initiated attacks on the local Guatemalan Ambassador and linked him to the local Communists.
 5. The Hoof and Mouth - Pig rumors have begun within Guatemala.
 6. [] sent anti-Guatemalan editorials to delegations at Caracas, planned an air-drop of anti-Guatemalan handbills, and placed anti-Guatemalan articles in one of the largest Brazilian newspapers.

II. Administrative/Support Activities

A. Personnel

1. Mr. Howard Hunt has been detailed to the PP Staff at Lincoln to serve as PP officer pending the return to the U.S.A. and assignment of []
2. One clerk-stenographer and one Spanish-speaking typist were assigned from Headquarters to Lincoln on 27 March. Subjects departed Headquarters for Lincoln 28 March.
3. [] was released from TSS on loan for duty at Lincoln and was so assigned effective 26 March.

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4. The Air Operations Officer, PBSUCCESS, was appointed Acting Chief, FJHOPEFUL in addition to his other duties for the duration of PBSUCCESS.
5. [] communications clerk assigned to [] will depart from Headquarters on or about 30 March 1954.
6. [] on duty at Headquarters at present is slotted for an assignment as a stenographer at Guatemala City. Her processing is complete and she is now waiting to be called by the Department of State. Mr. Leddy has been requested to help expedite the matter with the Department.

B. Logistics

1. One air cargo flight was completed to FJHOPEFUL during the last week carrying the final large shipment of para-military supplies and equipment.
2. A report from the field indicated that the 16,000 rations consisting of sausages and biscuits are contaminated. Samples retained in Headquarters as well as a sample from the field were submitted to the Medical Office for analysis. Although the analysis has not been completed on all samples, an interim report has been received from the medics stating that the samples examined are definitely contaminated and unfit for human consumption. Pending further instructions from Headquarters, the field has been instructed that the rations are not to be used under any circumstances. The matter has been referred to the Logistics Office for handling with the contractors. The Logistics Office is to advise the approximate time required to provide suitable replacement rations. Pending the receipt of this information, the field has been requested to consider alternatives, with the procurement of rations locally suggested as a possibility. A full report on this matter is being prepared with copies of the medical report attached, for submission to Chief, Logistics, Comptroller, and Security Office over the signature of Chief, WH.

C. Finances

1. The usual advances covering transportation costs and per diem for personnel departing Headquarters were accomplished during the week.
2. Instructions were prepared and forwarded over the signature of CWH for Lincoln to pick up on their books all operational sums forwarded to regional command stations as requested by Chief of Station, Lincoln. This had not been the practice in the past. The Finance Officer of Lincoln stated that he thought all advances dispatched from Headquarters would in turn be accounted for directly to Headquarters.

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Jacob D. Esterline