

**HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED**

~~SECRET~~
Security Information

C/R 18

CONTACT REPORT

2003

DATE: 0930, 25 November 1953

PLACE: King's office

PERSONS PRESENT: JCKing, []

COVER USED: None

Discussions:

1. A serious impasse was described by JC as having developed within the State Dept. as a result of the Under Secretary of State Cabot having been kept out of the PBSUCCESS picture. Apparently Cabot, desiring to see that something is done in Guatemala, has demanded a briefing from CIA as to what its plans are and what its current activities are, as Cabot wanted to organize a program to attack the problem. In particular, he planned to call a meeting of all coffee buyers to determine what could be done in this direction. As Cabot has not been cut in, he has never been officially informed of CIA's activities but he did evidence knowledge of certain things going on of which he had not been informed. Allan Dulles, in a discussion with JC, agreed to talk to Bedell Smith at noon today regarding the possibility of cutting Cabot in, at least to a limited degree, recognizing that Smith has neither confidence nor personal liking for Cabot. Further, Allan Dulles was to speak to his brother, John Foster Dulles, in an effort to resolve this matter as Cabot insisted upon this briefing taking place on Monday, 30 November, by J. C. King. Accordingly, an effort must be made by Allan Dulles to offset Cabot's intentions or to obtain approval to cut him in on PBSUCCESS to avoid a clash and possible serious compromise of PBSUCCESS to date.

2. JC stated he wanted to ship 15 tons of arms now in New York to Nicaragua at once in order to test Somoza's alleged agreement to cooperate. [] took strong exception to this proposal, pointing out that the entire subject of handling arms was fraught with peril from the security point of view and great danger as to control, owing to the possibility once the arms were in the hands of certain people they might go off on their own, thus aborting the program. It was explained that the new concept does not necessarily involve a very large shipment of arms to Nicaragua but, contrarily, only that those actually required for training of the cadre classes at Pto. Cabezas be shipped. Further, that the arms would be compartmented and would be delivered to various places in order to achieve maximum control and secrecy. The problem of getting arms from Nicaragua to jump-off points in Honduras and Salvador is ~~not~~ in itself a serious problem of logistics and sufficiently disadvantageous to warrant holding such arms in Nicaragua to a minimum.

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2. [] said that there are various ways in which the arms could be distributed to specific teams, both by clandestine entry through Nicaragua ^{overland} and by black air-drop. JC weighed these objections and withdrew his decision to ship arms at once to Nicaragua. Another important factor involved in this discussion - it was pointed out by [] that the shipment of arms should not proceed in advance of the military negotiations with Nicaragua as we must first be sure that Somoza has a carrot well within reach before we come along with the stick. JC agreed to this.

3. The question of initiating an energetic foreign currency procurement program was discussed with JC and he was informed that further details would be available Monday on the subject. JC seemed to realize that this matter of obtaining necessary large quantities of foreign currencies would not be easily resolved and concurred with [] pushing a procurement program utilizing all sources for the acquisition of the necessary funds.

4. Regarding the security clearances for [] and RUFUS, JC informed that there was no objection to going directly to Staff C, providing the request was handled in a normal manner without attracting any attention to the possibility that these individuals would be used for operational purposes. This was agreed to. The matter of safehouses, according to JC, should be handled directly with Mr. [] who has been alerted to expect [] to lay on specific requirements. JC was informed that this would not be done until the subject matter was studied more thoroughly.

5. [] was presented to JC for his approval as the candidate to fill the Administrative Assistant slot. Mentioning her qualifications as having been Ray Leddy's secretary, serving a tour of duty in Guatemala, generally professing knowledge of administrative procedures at both Hqs. and in the field and a knowledge of the language. JC said that he preferred to use the girl from [] who was expected in 1 December as he had no slot for her and wanted to recommend her very highly for this position although they had no knowledge of her administrative abilities aside from her handling of work requirements in [] agree to wait her arrival on 1 December before making his own decision.

[]
25 November 1953