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WEEKLY PBSUCCESS MEETING WITH [ ]

9 March 1954

Present: Mr. [ ], Mr. [ ] (Department of State);  
Mr. [ ], Mr. [ ], Mr. [ ],  
[ ], [ ]

1. Mr. [ ] opened the meeting with comments on a paper entitled "Points for consideration concerning informant". It was agreed that the identity of Mr. X, who is in contact with Mr. [ ], should not be disclosed at this time except on a strictly need-to-know basis. Mr. [ ] said that this contact fell in a vague and shadowy field where it is not clear when does such a case come into the zone of being a Bureau matter. Mr. [ ] suggested getting in touch with Mr. [ ] Deputy Director for [ ] of the Department of State because X comes from a hostile Embassy and has begun to talk. It is suggested that the Bureau be notified of this development for the protection of Mr. [ ] and in order to prevent them from wasting time running after false scents. If by any chance the Bureau has a case, the Department of State would not want to cross wires. It is our hope that the Bureau would not wish to assert total jurisdiction. Information received from informant X is extremely interesting. Details are covered in memorandum referred to. Since the line may lead to [ ] through G-2, we are to determine who is the Pentagon's liaison with [ ] and how reliable and discreet is he. A paper for Mr. [ ] based on reports from [ ] is to be prepared.  
(ACTION: [ ])

2. Mr. [ ] then stated that he and Mr. [ ] were there to take stock of the present situation, to determine where we stand now and what are the future prospects. Are things going downhill so fast in Guatemala that PBSUCCESS as it now stands may not be enough. Consideration must be given to the much greater pressure which may come from Congress and public opinion on the present Administration if the situation in Guatemala does deteriorate. It may be necessary to take more calculated risks than before. At the end of the Caracas Conference we should have a clearer view of our position and a re-assessment of the situation should be made at a briefing and discussion with the new Assistant Secretary of State, Mr. [ ], General Smith and Mr. Dulles. Mr. [ ] replied "Let Caracas run its course and see what comes out of it". We agree to the need of making progress reports to policy chiefs of this Government so that we may obtain additional reassurance that the rug will not be pulled from under us in the future as occurred in the [ ] case. Mr. [ ] then asked Mr. [ ] exactly what was meant by possible additional calculated risks. Messrs [ ] and [ ] replied:  
(a) We might reconsider exploiting the conclusion arrived at by Trujillo last year and transmitted to Perez Jimenez that the best way to bring about the fall of the Arbenz government would be to eliminate 15-20 of its leaders with Trujillo's trained pistoleros. (b) State might consider overt action along

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the lines of no more shipping to Guatemala, no more oil, no more air passengers or transport. (c) PBSUCCESS program through Phase IV appears insufficient to do the job and it is feared that Phase V shows the U. S. hand. Mr. [ ] then said that in his opinion the "gut point" of the operation is where does the Guatemala City garrison stand, and asked [ ] if he could answer that question. [ ] replied that he thought the operation could be brought to a conclusion by 15 June; that the program was complex but that we believe the Agency has the capability of doing the job. The radio program is to begin on 1 April and the last part of it, at D-Day, a terror program, is based on Orson Welles and is most effective. [ ] the build-up by training, equipment, etc. - is like a boiler under steam pressure; it cannot be stopped once it gets to a certain point. Mr. [ ] repeated that the important question is where does the Guatemala City garrison stand, and asked [ ] if he knew. [ ] replied that PBSUCCESS is a complex, top secret program which includes ghost voicing, deception, mines, bazookas, and fire power. It is difficult to explain without the wall map and charts available at Lincoln. There remains a lot to be done but it is believed it can be done by June. While it is fine to talk about the OAS Conference and the need for a re-assessment of its conclusion, once we get beyond a certain point we do not believe that we can stop the operation. Mr. [ ] - This is a much more optimistic resume than we had any reason to believe based on reports so far".

Mr. [ ] - "We have not yet come to the point of any reasonable assurance of success".

Mr. [ ] - "What is the chance of U. S. exposure?"

Mr. [ ] - "There is no official estimate yet. We have been concerned from the very beginning about keeping so much activity under a basket. There has already been one flap, although not the fault of anyone at this table. We have to be concerned and would like to know what is the position of high government authority if things go wrong."

[ ] - "Once arms are in the forward area, and according to present plans arms will be in 30-40 days, we are practically committed. All the controls we have are not adequate to assure complete control from that point on. After 1 April we will be too far committed to call off the operation."

Mr. [ ] to [ ] - "Don't worry".

Mr. [ ] to [ ] - "Your job is to carry out instructions. You are to get the job done".

[ ] to Mr. [ ] - "Everything we do may be plausibly denied if uncovered".

Mr. [ ] - "We must bring our top-level people up to date one month from now."

Mr. [ ] to [ ] - "Watch out for compromising pieces of paper."

Mr. [ ] - "Because of disclosures by the Guatemalan Government and the appointment of a new Assistant Secretary of State, we must consider the 'broad'

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approach to PBSUCCESS from the viewpoint of the Department. We need a general go-around with consideration being given to (a) is PBSUCCESS the way to handle this operation (b) if it is the way to handle it are we using all possible means not attributable to the United States to carry the operation to a successful conclusion. If attributable to the United States, it should not be done. High level State thinking is that an act which can be pinned on the United States will set us back in our relations with Latin American countries by fifty years."

[ ] then expressed himself as opposed to the elimination of 15-20 Guatemalan leaders as a possible solution to the problem, although stating that such elimination was part of the plan and could be done. Mr. [ ] then said that knocking off the leaders might make it possible for the Army to take over. [ ] replied that it is an illusion to believe the Army has control. The Army is losing control to organized and armed labor and police. The 1952 revolution in Bolivia could be repeated, where for the first time in Latin American history armed labor defeated the Army. Mr. [ ] stated that it is not certain that the Army has lost control. Mr. [ ] said that he was much surprised at [ ] statement about the armed strength of labor because according to an Embassy report of two weeks ago there is no known training of labor groups and it must be that the Embassy needs jacking up in its reporting. [ ] said that our information came via RUFUS' nets and was a third country operation. Mr. [ ] then asked is it feasible to buy up the top Army command. [ ]

[ ] Mr. [ ] replied this merits going into, but in his opinion the chances of defecting [ ] are much less than 50-50. A discussion followed of using [ ] as a one-man team on high-level defections, and Mr. [ ] raised the question what would happen to the RUFUS forces who already have arms if through successful defections inside Guatemala Arbenz was overthrown. Mr. [ ] said he opposed [ ] it was U. S. Government, [ ] He reiterated - "When we get to the point of making a decision where our action will successfully attribute to the United States Government the support of a revolution, it is our thinking at this time that we should not get on with it. He asked - "Is it possible to provoke an incident where OAS will intervene?" [ ]

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