31 May 1956

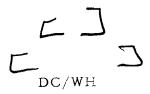**2003**

MEMORANDUM FOR THE RECORD

SUBJECT: Springfjord Case

1.   The above subject was discussed at a meeting with the Department of State held in Assistant Secretary Holland's office on 29 May 1956. Present at the meeting were: Mr. Holland, Mr. R. R. Rubottom, Mr. L. Randolph Higgs, Mr. Spencer M. King, and ⊏ ⊐

2. ⊏   ⊐ discussed with Mr. Holland the contents of the attached memorandum based or ⊏   ⊐ meeting with the lawyer in touch with the law firm handling the Springfjord case on behalf of the Guatemalan Government.   Mr. Holland confirmed ⊏   ⊐ opinion that the thesis set forth ✓ in paragraph 1 is somewhat complex and not entirely convincing.

3. ⊏   ⊐ noted the most important feature of the report, which is that the United States underwriters are not ac- tively pushing their claim against the Guatemalan Government and have not asked the Department of State for assistance. ⊏ ⊐ also noted that it was the opinion of the General Counsel's office, CIA, that it would be inappropriate for the Department, in the absence of a request for assistance by the American under- writers, to take the action suggested by the British.

4. ⊏   ⊐ noted that, while the foregoing is con- sistent with Ambassador Sparks' view, the Ambassador does feel that the matter should be brought to a conclusion, and recommended that, for the time being, the case rest in CIA's hands in order to determine whether there is a practical way of concluding the mat- ter and also to decide whether Castillo should be consulted at this point.

5. Mr. King and ⊏   ⊐ discussed with Mr. Holland Ambassador Sparks' request that the Department withdraw CA-8451. It was pointed out that it would appear strange to accommodate the Ambassador's request without a formal request from him. It was

concluded that, through CIA channels, the Ambassador should be advised to send a message to the Department in regard to the permissive clause and stating in effect that he did not feel the time appropriate and wishes to withhold decision pending further consideration.

                                                    ⌐ ⌐
                                              ⌐   ⌐
                                                 DC/WH

Attachment:
  Memorandum, 29 May 1956, C/WH/III to DC/WH, Subject:
  Springfjord Case.

WH ⌐   ⌐ (29 May 1956)

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