

CIA HISTORICAL REVIEW PROGRAM
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C/R 17

CONTACT REPORT

2003

DATE: 0930, 24 November 1953

PLACE: JCK's office

PERSONS PRESENT: Col. King, Hans ~~tofte~~, []

COVER USED: None

DISCUSSION:

1. Finance. JC stated that all allocations of funds under this project had to be cleared by him with Helms and Wisner before they could be authorized for disbursement (such items as payments to RUFUS [] and other large expenditures). He stated that [] had prepared a memo on the subject of how these funds were to be handled and [] asked for a copy of this instruction. (Follow-up and obtain same) The subject of establishing a foreign currency operational fund was reviewed in the light of [] recommendation that at least \$100,000.00 purchasing program should be set up immediately for initial requirements which would consist primarily of Guatemalan currency, and secondly of Honduran currency. JC was informed that Seekford had stated that [] in Tegucigalpa was holding \$40-50,000.00 in foreign currencies for him and that he had been asked to take these funds off their hands. [] recommended that this represent one of the initial purchases under the above plan. JC stated that [] had definite obligations and had made commitments to support this project and that he did not consider the funds held by them in Tegucigalpa as being any particular obligation on our part and therefore, they should remain there to be drawn upon at such time as they are needed in the immediate future. [] informed him that it was his intention that hereafter not only Seekford but all other case officers in the field be promptly and adequately serviced financially in the currencies required for building operations and that the future use of U.S. green currency should be discontinued as rapidly as possible for security reasons. He further stated that the \$100,000.00 was simply an initial investment and that it undoubtedly would not cover 30 days of operations. J. C. King was informed that [] had been instructed to work out a finance program of this nature with the finance division in order to utilize their facilities now in existence for the procurement of funds now in the U.S. or in other countries for this operation. It was pointed out that currencies from this small country could not be expected to be readily available and we should therefore anticipate our requirements as far as possible in advance and endeavor to have currency on hand to meet same. JC seemed to concur and said he would get authorization for such expenditures from DD/P. [] then informed JC that it was his plan to include in the report for Stage 1 a breakdown of specific tasks, indicating in each one the estimated funds required for development.

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The approval of this over-all developmental plan would constitute approval for the disbursement of the funds so indicated. It was [] belief that this would simplify future finance procedures and that headquarters would be fully informed of the allocation of the funds. It would also provide a means of budgeting the funds allocated to this project.

2. Communications. The subject matter contained in C/R 15 was reviewed with J. C. King. He made no particular comment on this except in the matter pertaining to the R/O for Tegucigalpa wherein he agreed that [] should request Leddy to initiate appropriate action soonest. It was also agreed that this particular R/O was the most important one and needed most urgently in the field.

3. Official Cover. The pros and cons of establishing the project headquarters at [] were thoroughly reviewed and JC stated that he did not consider this location suitable for reasons of travel, operation security and general convenience. Accordingly, [] suggested that in view of [] statement that he alone was responsible for the establishment of official cover under liaison procedures, that the latter be called upon to arrange for some other government agency to rent, in its own name, the space required for this Headquarters. JC agreed to this procedure. [] will proceed to negotiate with []

4. Safe Houses. JC pointed out that he had discussed the matter of acquiring safehouses with Mr. [] and the latter agreed ^{to arrange} with Mr. [] of the Logistics Division who would make the necessary arrangements on behalf of this project. JC agreed to speak to [] and clear the way for [] whom [] suggested to negotiate soonest for these quarters.

5. [] recommended that in view of the importance of external intelligence operations into Guatemala City and the general area that he would like to have [] officially accredited, or at least authorized to go, to [] which required in order to supervise such operations as were based in that area. It was agreed that this would be done and Leddy would be requested to ascertain whether it would be necessary to officially accredit [] to [] as well as to other countries to provide proper cover. It was suggested that perhaps such cover would not be necessary, it could just be a normal function for []

6. [] It was ascertained that [] was presently in the States on leave. [] recommended that he be requested to come to Washington for 4 days TDY in order to assist in the assessment of [] JC agreed and said he would telephone [] to ask whether he could come in, and if so, he was to report on the Monday following Thanksgiving day.

7. [] The question was raised as to whether or not [] was capable of meeting the requirements of PBSUCCESS in [] agreed to give him full trial and to provide him with close guidance and []

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assistance. It was pointed out that [] would probably be a fairly important base of operations between that country and [] was to meet [] in Habana on 7 December to discuss the matter further.

8. Transportation. In view of the foreseeable requirement for servicing Santa Fe by air, JC advised that the agency has an arrangement with an airline cleared for just such purposes. The name of the airline is believed to be []. Further details on the latter were to be ascertained by JC.

DECISIONS; As indicated.

[]
25 November 1953

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