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5 October 1953

MEMORANDUM FOR THE RECORD:

SUBJECT: PBSUCCESS

1. [ ] met with General Cabell at 1730  
3 October 1953, at which time General Cabell raised the following points  
for consideration:

a. Mr. [ ] and Mr. [ ] stated at a meeting with  
him earlier in the day that the [ ] could move 10 to 20 tons of  
hardware from Panama to New York as suggested, but felt that it  
might be wiser to move the entire 80 tons in one haul. This should  
be considered.

b. Negotiations with Nicaragua for a military assistance  
agreement must be expedited with high priority. Could not Somoza  
be asked to pad his arms request to include the shipment for RUFUS?  
Ambassador Whelan is now in North Dakota and plans to return to  
Nicaragua next week. Mr. [ ] knows how to reach him. In the  
normal course of events Whelan would not first return to Washington.  
He could, however, carry any necessary messages to Somoza. [ ]  
[ ] pointed out that the plans for negotiation with Nicaragua  
have bogged down in Defense, as outlined by Mr. Leddy on 2 October.  
General Cabell stated that he would be glad to do anything desirable  
to correct this situation and requested that [ ] advise him  
further in this regard on 5 or 6 October. [ ] then men-  
tioned that despite Somoza's cooperation being essential to the  
operation, it was desirable to maintain the fiction of RUFUS' having  
acquired his arms abroad without official U.S. assistance - a story  
which it would be difficult to sustain were Somoza asked to include  
RUFUS' arms with a U.S. arms aid shipment. General Cabell agreed  
that overt U.S. intervention should be eliminated if at all possible.  
He mentioned that Somoza is now expected back in Nicaragua from his  
South American trip on approximately 10 November but that an  
earlier return is desirable to expedite both treaty negotiations  
and hardware shipment. Senator Capehart's Committee is expected to  
arrive in Managua on approximately 25 October in connection with  
Export Import Bank business. The Committee must first complete its  
business in Mexico. This might be used as a lever to get Somoza back  
to Nicaragua at that time. [ ] feels that some arms for  
training and/or operational use should be in Nicaragua or Honduras  
now.

c. [ ] and [ ] stated that Guatemala is now at-  
tempting to divide the Honduran Conservative Party while Jose  
Figueres, who has adopted Peronista ideas, is advocating and pro-  
moting expropriation as a Latin American policy. In view of

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these political factors we should be prepared to trigger PBSUCCESS earlier than planned should the course of events so indicate. We must also remember that Barrios Pena may seize the initiative, in which case we may have to ride in with him.

d. After consultation with Mr. Leddy, [ ] called General Cabell on 5 October and told him that contacts with Defense in connection with PBSUCCESS have been handled through Messrs. Keyes and Nash. Both of these gentlemen are expected to be out of town until 7 October. At the request of General Smith, Mr. Berry will contact Mr. Allen Dulles to request that this matter be taken up with Mr. Keyes at the OCB meeting scheduled for 7 October. General Cabell agreed that this would be the most effective manner of handling the problem.

WHL J/pw

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