

# Private Sources of U.S. Foreign Policy

William Pawley and the 1954 Coup d'État  
in Guatemala

❖ Max Holland

## Introduction

In May 2003 the U.S. Department of State released a retrospective volume to supplement the publication twenty years earlier of a standard *Foreign Relations of the United States (FRUS)* compilation of documents on Latin America from 1952 to 1954.<sup>1</sup> This supplemental volume was wholly devoted to the role of the U.S. government, especially the Central Intelligence Agency (CIA), in the overthrow of Guatemalan President Jacobo Arbenz Guzmán in 1954.<sup>2</sup>

The unprecedented step of publishing a supplement twenty years after an ostensibly definitive account had been released was taken only because of a loud hue and cry from historians. They rightly claimed that the earlier (1983) *FRUS* volume threatened to undermine the integrity of the series by not fully documenting Washington's role in the ouster of Arbenz. Because the 1983 volume was incomplete, it conveyed a misleading history of U.S. relations with Guatemala. The U.S. Congress agreed with this argument and passed special legislation in 1991 requiring all federal agencies to provide State Department historians with the documents necessary for a "thorough, accurate,

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1. U.S. Department of State, *Foreign Relations of the United States, 1952–1954*, American Republics, Vol. IV (hereinafter referred to as *FRUS*, with appropriate year and volume numbers).

2. *FRUS, 1952–1954*, Guatemala (Washington, DC: U.S. Government Printing Office, 2003). On the day this supplement was published, the CIA made available 5,120 redacted documents, totaling 14,000 pages, pertaining to Operations PBFORTUNE, PBSUCCESS, and PBHISTORY, the agency cryptonyms denoting the primary covert activities relating to the 1954 coup d'état. (PBFORTUNE was a 1951–1952 contingency plan for ousting Arbenz; PBSUCCESS was the operation actually implemented in 1953–1954; PBHISTORY was the post-coup operation to collect and analyze documents from the Arbenz government). These documents, only some of which were presented in *FRUS, 1952–1954*, Guatemala, were posted on the CIA's Electronic Reading Room webpage, <http://www.foia.cia.gov/guatemala.asp> (hereinafter referred to as CIA Guatemala ERR).

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and reliable documentary record.”<sup>3</sup> That law, greatly facilitated by the coincidental end of the Cold War, led to a general loosening of the CIA’s grip on heretofore sacrosanct documents from the Directorate of Plans (DD/P), the division responsible for carrying out covert actions approved by the president in the 1950s. The result is that the Guatemalan coup, a seminal event from every point of view, is one of the most thoroughly documented episodes of the Cold War, at least from the U.S. side.<sup>4</sup>

3. “Foreign Relations, 1952–1954, Guatemala,” Press Release, Office of the Historian, Bureau of Public Affairs, U.S. Department of State, 15 May 2003.

4. The Archivo General de Centro América in Guatemala City houses relevant documents, but its files are unorganized, according to one prominent scholar who has used them. See Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and The United States, 1944–1954* (Princeton, NJ: Princeton University Press, 1991), p. 396. Relevant and important documents surely exist in the archives of the former Soviet Union and Czechoslovakia, especially regarding the Czechoslovak arms shipment of May 1954. Karel Sieber, a young Czech scholar with the Center for Cold War History at the Institute for Contemporary History (Prague), is researching this and related subjects. The U.S. literature on PBSUCCESS was one of the most extensive collections on a single Cold War event even before the publication of the supplemental *FRUS* volume. Covert interventions, climaxing in the overthrow of Chile’s Salvador Allende in September 1973, have also defined historical writing on inter-American relations for a generation of scholars, as Max Paul Friedman observes in “Retiring the Puppets, Bringing Latin American Back In: Recent Scholarship on United States–Latin American Relations,” *Diplomatic History*, Vol. 27, No. 5 (November 2003), pp. 541–552. Standard scholarly works include Cole Blasler, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America* (Pittsburgh: University of Pittsburgh Press, 1976); Blanche Wiesen Cook, *The Declassified Eisenhower: A Divided Legacy* (Garden City, NY: Doubleday, 1981); Richard Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin: University of Texas Press, 1982); Bryce Wood, *The Dismantling of the Good Neighbor Policy* (Austin: University of Texas Press, 1985); Stephen Rabe, *Eisenhower and Latin America: The Foreign Policy of Anti-Communism* (Chapel Hill: University of North Carolina Press, 1988); Gleijeses, *Shattered Hope*; and Nicholas Cullather, *Secret History: The CIA’s Classified Account of Its Operations in Guatemala, 1952–1954* (Stanford, CA: Stanford University Press, 1999). For a recent work on the aftermath of the coup, see Stephen Streeter, *Managing the Counterrevolution: The United States and Guatemala, 1954–1961* (Athens, OH: Ohio University Press, 2000). The most prominent works by journalists and radical leftist critics of American foreign policy are David Horowitz, *The Free World Colossus: A Critique of American Foreign Policy in the Cold War* (New York: Hill & Wang, 1965); Susanne Jonas and David Tobis, eds., *Guatemala* (Berkeley: North American Congress on Latin America [NACLA], 1974); Thomas McCann, *An American Company: The Tragedy of United Fruit* (New York: Crown Publishers, 1976); and Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala* (Garden City, NY: Doubleday, 1982). General histories of the CIA and biographies of key officials that treat PBSUCCESS in some detail include Andrew Tully, *CIA: The Inside Story* (New York: William Morrow, 1962); David Wise and Thomas Ross, *The Invisible Government* (New York: Random House, 1964); Thomas Powers, *The Man Who Kept the Secrets: Richard Helms and the CIA* (New York: Alfred Knopf, 1979); John Ranelagh, *The Agency: The Rise and Decline of the CIA* (New York: Simon & Schuster, 1986); John Prados, *Presidents’ Secret Wars: CIA and Pentagon Covert Operations since World War II* (New York, William Morrow, 1986); Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Charles Scribner’s Sons, 1992); Peter Grose, *Gentleman Spy: The Life of Allen Dulles* (Boston: Houghton Mifflin, 1994); Christopher Andrew, *For the President’s Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York: HarperCollins, 1995); William Blum, *Killing Hope: U.S. Military and CIA Interventions since World War II* (Monroe, ME: Common Courage Press, 1995); and Evan Thomas, *The Very Best Men: Four Who Dared – The Early Years of the CIA* (New York: Simon & Schuster, 1995). For useful memoirs of participants, see Dwight Eisenhower, *The White House Years: Mandate for Change, 1953–1956* (Garden City, NY: Doubleday, 1963); E. Howard Hunt, *Undercover: Memoirs of*

Despite the wealth of formerly top secret records now available, the role of William Pawley, a key actor in Operation PBSUCCESS, remains largely undocumented and therefore underappreciated. Known primarily as a fabulously wealthy businessman, Pawley was instrumental in sundry aspects of this covert operation, including the all-important provision of aircraft to the anti-Arbenz forces in June 1954. Yet Pawley's name appears in only two of the formerly sensitive documents released in 2003. That is not a quantitative improvement over the 1983 *FRUS* volume, which contained just five documents referring to Pawley.<sup>5</sup>

Responsibility—if that is the right word—for this void lies neither with the State Department historians nor with their CIA colleagues but with the nature of the historical craft itself. The most that scholars can aspire to produce, even under ideal circumstances, is a closely reasoned facsimile of what happened. A historical event can seldom, if ever, be recaptured in its full complexity. In this instance, moreover, considerable pains were taken to keep Pawley's involvement entirely secret from the public, and certain aspects were shrouded from State Department officials working on the overt complements to PBSUCCESS. If Pawley had not decided, late in life, to reminisce about his activities in an unpublished memoir, his part in the implementation of PBSUCCESS would probably have remained murky at best.<sup>6</sup>

*an American Secret Agent* (New York: Berkley Publishing, 1974); David Atlee Phillips, *The Night Watch: 25 Years of Peculiar Service* (New York: Atheneum, 1977); Richard Bissell Jr. with Jonathan Lewis and Frances Pudlo, *Reflections of a Cold Warrior: From Yalta to the Bay of Pigs* (New Haven: Yale University Press, 1996); and Richard Helms with William Hood, *A Look over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003). Operation PBHISTORY, the follow-up to PBSUCCESS, is described in Max Holland, "Operation PBHISTORY: The Aftermath of SUCCESS," *International Journal of Intelligence and Counterintelligence*, Vol. 17, No. 2 (Summer 2004), pp. 213–241.

5. Although Pawley is mentioned by name in only two of the newly declassified documents, dozens of them are indispensable in corroborating Pawley's unpublished account of his role. In addition, the two documents that name him are significant. The first is a memorandum from Eisenhower's new CIA director, Allen Dulles, to DD/P chief Frank Wisner, suggesting one year before the coup that Pawley be appointed a special emissary to Guatemala in order to prepare a report to the president. The second document confirms Pawley's instrumental role in providing coup leaders with an air force. See "Memorandum re PBFORTUNE," 8 March 1953, in *FRUS*, 1952–1954, Guatemala, p. 79; and "Memorandum for the Record: Notes on Meeting with Messrs. Pawley and Hensel," 8 June 1954, in CIA Guatemala ERR. The references from the earlier *FRUS* volume are "Memorandum of Conversation with the President, by the Secretary of State," 19 May 1954, in *FRUS*, 1952–1954, Vol. IV, p. 1117; "The Second Secretary of Embassy in Guatemala (Hill), Temporarily in Washington, to the Ambassador in Guatemala (Peurifoy)," 30 May 1954, in *FRUS*, 1952–1954, Vol. IV, p. 1154; "Notes of a Meeting of the Guatemalan Group, Held in the Department of State," 9 June 1954, in *FRUS*, 1952–1954, Vol. IV, p. 1160; "Notes of a Meeting of the Guatemalan Group, Held at the Department of State," 16 June 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1170–1171; and "Notes of a Meeting of the Guatemalan Group, Held at the Department of State, 25 June 1954, in *FRUS*, 1952–1954, Vol. IV, p. 1186.

6. Pawley's papers (hereinafter WDPP) are housed at the George C. Marshall Library (GCML) in Lexington, Virginia, and consist of two archival boxes. Most of the space is taken up by Pawley's unpublished 1974 manuscript, which he worked on intermittently for at least seven years. The often pro-

## Pawley's Background

William Douglas Pawley, as his obituary in *The New York Times* noted in 1977, “led a life that could have been the substance of several old-time dime novels.”<sup>7</sup> Despite having little formal education, Pawley was, as *The Miami Herald* put it, a “Florida legend of industry, diplomacy, politics and occasional international intrigue . . . a swashbuckler in a gray flannel suit with a bit of a Midas touch.”<sup>8</sup> Before Pawley committed suicide, he enjoyed a high-profile career as an international salesman, businessman, aviation entrepreneur, U.S. ambassador, financier, transit and sugar magnate, philanthropist, and special presidential envoy who dressed like an “‘upper bracket version’ of former New York mayor Jimmy Walker.”

Somewhat less well known were Pawley's covert activities on behalf of (and sometimes despite) the U.S. government.<sup>9</sup> Although Pawley was known for his expertise on Asia, his first and most lasting international interest was Latin America. In 1900, four years after his birth in Florence, South Carolina, Pawley's father moved the family to Caimanera, Cuba, to earn a living supplying the U.S. Navy at the Guantánamo naval base just wrested from Spain. Growing up among Cubans, William learned to speak Spanish with a sibilant Castilian lisp, and by the age of eleven he had developed a knack for salesmanship when vending candies and fruit from a rowboat to sailors in Guantánamo Bay.<sup>10</sup> After graduating from a military academy in Georgia, he was hired by a New York export firm to travel through Venezuela, mostly by burro, peddling everything from stearic acid to paraffin for candles, the only light source

vocative manuscript must be treated cautiously, as it appears to be written primarily from memory. Although it is sometimes difficult to square precise dates and other details against the documentary record, the manuscript (entitled *Russia Is Winning*) holds up very well overall against primary sources released decades later, such as the pertinent *FRUS* volumes and CIA Guatemala ERR documents, Richard Bissell's memoir, and well-regarded secondary accounts such as Evan Thomas's history of the CIA in the 1950s. Thomas had privileged access to internal CIA materials.

7. “William D. Pawley, Financier, Dies at 80,” *The New York Times*, 8 January 1977, p. 18; and “William Pawley, Ex-Envoy to Brazil, Aviation Expert,” *The Washington Post*, 9 January 1977, p. A31.

8. “William D. Pawley Kills Himself,” *The Miami Herald*, 8 January 1977, p. 5.

9. Mary Van Rensselaer Thayer, “‘Flying Tiger’ Diplomat Is U.S. Host at Rio,” *The Washington Post*, 14 August 1947, p. 7; Thomas Paterson, *Contesting Castro: The United States and the Triumph of the Cuban Revolution* (New York: Oxford University Press, 1994), pp. 206–211; and Max Holland, “A Luce Connection: Senator Keating, William Pawley, and the Cuban Missile Crisis,” *Journal of Cold War Studies*, Vol. 1, No. 3 (Fall 1999), pp. 156–165. One reason for Pawley's obscurity is that he was (and is) often confused with two other prominent men with similar sounding names. One is William Paley, the long-time chairman of the Columbia Broadcasting System (CBS). The other is the wealthy California oil executive Edwin Pauley, who was about the same age and also active in the Democratic Party. Pauley was the treasurer of the Democratic National Committee in the 1940s and a member of President Harry Truman's “kitchen cabinet.”

10. Nixon Smiley, “The Private Wars of William Pawley,” *Tropic (Miami Herald Sunday Magazine)*, Vol. 5, No. 34 (22 August 1971), p. 8.

for thousands of small towns and villages.<sup>11</sup> He later bragged that these travels enabled him to learn “all the accents and inflections and the idioms of every place [Spanish is] spoken by banker or laborer.”<sup>12</sup> His varied business activities during these years took him to nearly every country in Central and South America, and he made lifelong acquaintances with the local elites in many of those states. By the age of twenty-nine, Pawley had made his first half-million by speculating in Florida real estate during the 1925 land boom.<sup>13</sup>

In 1928 the entrepreneurial-minded Pawley entered the burgeoning but risky world of commercial aviation on the basis of his friendship with Glenn Curtiss, one of the first commercial airplane builders. Pawley’s initial venture was the National Cuban Curtiss Company, a concern that was eventually merged into Pan American Airways. Subsequently, Pawley’s focus shifted to the even bigger market in China, and he became president of its national airline in 1933.<sup>14</sup> Every prominent figure in China in the 1930s, especially a foreign businessman involved in such a strategic economic asset as the national airline, was necessarily dependent on the good graces of the country’s dictator, Generalissimo Chiang Kai-shek. Pawley became intent on helping Chiang overcome the challenge posed by Imperial Japan. Pawley was one of the first in the business community to warn about the Japanese threat to U.S. interests, and he soon became one of the most persistent voices on this subject in Washington.

After war broke out between Japan and China in July 1937, Pawley pleaded with every U.S. official he could find, arguing that it was crucial to defend the Burma Road into China to enable that country to persevere against Japan.<sup>15</sup> Then, in May 1939, the idea of a foreign legion of volunteer American airmen was broached during an otherwise routine business meeting with the generalissimo. Pawley immediately “saw the tactical military advantages that would accrue to America, should Japan attack us, by having a nucleus of airmen experienced in Jap [sic] air tactics.”<sup>16</sup> By December 1940, the

11. William Douglas Pawley, *Russia Is Winning*, 1974, in GCML, WDPP, prologue.

12. “William D. Pawley Kills Himself,” p. 5. Decades later, Pawley’s command of the language would impress even General Francisco Franco. A member of the Spanish aristocracy, Franco prided himself on speaking the best Castilian. Smiley, “Private Wars,” p. 8.

13. Pawley initially made \$1.2 million in the 1925 boom, then lost \$800,000 in the bust. Smiley, “Private Wars,” p. 8; “William Pawley, Ex-Envoy to Brazil,” p. A31; and Pawley, *Russia Is Winning*, p. 4.

14. Smiley, “Private Wars,” p. 11; and U.S. Congress, Committee on the Judiciary, Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws, *Communist Threat to the United States through the Caribbean*, 86th Cong., 2nd sess., 1960, p. 712.

15. Charles Romanus and Riley Sunderland, *United States Army in World War II: Stilwell’s Mission to China* (Washington, DC: Office of the Chief of Military History, U.S. Department of the Army, 1953), p. 10.

16. “A Brief History of the Flying Tigers” privately printed, in GCML, WDPP, Box 1, pp. 5–6.

Roosevelt administration agreed. Pawley's sales pitch in Washington resulted in a special arrangement whereby trained American pilots were permitted to "resign" from the U.S. Army Air Corps without losing rank and sign contracts with Pawley's Central Aircraft Manufacturing Company (CAMCO), which he had purchased in 1938.<sup>17</sup>

As far as the American public was concerned, Claire Chennault was the heroic face of the American Volunteer Group (AVG), or "Flying Tigers" as the AVG was dubbed by the American press. To the extent that Pawley was ever mentioned, he was the "mystery man who agitated the famous 'Flying Tigers' into existence."<sup>18</sup> But Pawley was the president and only American stockholder of CAMCO, the private corporation that employed all the pilots and mechanics.<sup>19</sup> In this capacity, he was responsible for recruiting the volunteers, transporting them to China, and then organizing the men and matériel into a de facto American tactical fighter force that was eventually folded into the U.S. Army Air Corps after Pearl Harbor. Prior to December 1941, these activities were funded by the U.S. government, though its hand was not visible.<sup>20</sup> The employment of pilots and mechanics had to be done clandestinely, and Pawley's corporation provided that cover.

Although the "Flying Tigers" operation garnered the most publicity, it represented only a small part of Pawley's contribution to the war effort as a private businessman. He provided \$30 million worth of airplanes and aviation services to China over a seven-year span and built a manufacturing plant in India, Hindustan Aircraft Limited, that employed 15,000 people at its peak and became the principal maintenance and overhaul base for the entire China-Burma-India theater. This plant saved the Allies millions of tons of shipping space during the battle for air supremacy on the Asian continent.<sup>21</sup> In May 1946, in recognition of Pawley's strategic foresight years before America's entry into the war, and for his singular achievements in carrying out co-

17. *Ibid.*; Senate Subcommittee, *Communist Threat*, p. 755; Romanus and Sunderland, *Stilwell's Mission*, p. 18; and Michael Schaller, "American Air Strategy in China, 1939–1941: The Origins of Clandestine Air Warfare," *American Quarterly*, Vol. 28, No. 1 (Spring 1976), p. 13. A brief history of CAMCO is also included in U.S. Congress, Senate, Committee on the Judiciary, Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws, *Morgenthau Diary (China)*, Vol. 1, 89th Cong., 1st sess., 1965, Committee Print, pp. 38–39.

18. "American Makes Planes in India," *Life*, 22 March 1943, pp. 18–19.

19. Pawley's partner in CAMCO was H.H. Kung, China's finance minister and Madame Chiang Kai-shek's brother-in-law.

20. Senate Subcommittee, *Communist Threat*, p. 722; and Dwight Eisenhower to Maxwell Taylor, 26 June 1961, in Dwight D. Eisenhower Library (DDE Library), Post-Presidential, Augusta-Walter Reed Series [April–June 1961]. Schaller writes that CAMCO's operating funds came from China Defense Supplies (CDS), the entity designated in April 1941 as China's agent for the receipt of supplies and money under the Lend-Lease Act. Schaller, "Air Strategy in China," p. 13.

21. "American Makes Planes in India," p. 18.

vert and wartime operations in the China-India-Burma theater, President Truman awarded Pawley the Medal of Merit. This military honor was the highest that could be bestowed on a civilian and was emblematic of the state-private industry cooperation that won the war for the Allies, a war that was in many ways a contest of industrial production. Despite Pawley's other activities during the war, he would forever consider his role in the "Flying Tigers" covert operation the high point of his life.<sup>22</sup>

Pawley's prewar and wartime experiences shaped his whole approach to the Cold War. They instilled in him a penchant for private, and often covert, action. Of equal import, he always viewed U.S. investments abroad as the cutting edge of the national interest, with threats to the former indistinguishable from those to the latter. Pawley believed that intrepid American businessmen (often in the extractive industries, such as mining and oil exploration, or basic utilities such as transportation) functioned—or at least ought to function—as a kind of early warning system for the intelligence community and foreign policymakers in Washington. Any assault on free enterprise, he maintained, was invariably the first evidence of a totalitarian impulse. Commerce, in his view, was the true frontline of U.S. foreign policy and thus the first to come under attack, regardless of whether the threat emanated from Japanese imperialism, European fascism, or world Communism.<sup>23</sup>

This perspective was not exclusive to Pawley. What made him a controversial figure, however, was his determination to apply the mores of commerce to other fields, including diplomacy. Pawley's model for getting things done was the raw world of doing business, a world in which decisiveness was rewarded and ambiguity or simple goodwill rarely turned a profit. When the U.S. government was near or in a wartime footing, Pawley's courage and "fighting spirit" were eagerly welcomed in Washington.<sup>24</sup> He had unquenchable energy and wore out many a man decades younger, becoming well known for "conferring, buttonholing, cajoling [and] yakking endlessly."<sup>25</sup> Yet this same drive, combined with Pawley's impetuosity, also made him hard to control. During the Cold War, the government's appreciation of Pawley's peculiar set of abilities waxed and waned according to the temperature of the

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22. Senate Subcommittee, *Communist Threat*, p. 713; Eisenhower to Taylor, 26 June 1961; and "William D. Pawley Kills Himself," p. 5.

23. Nowhere would this be more true than in Guatemala, where U.S. corporations such as the United Fruit Company and International Railways of Central America were largely depicted and perceived as "huge voracious monopolies." Ronald M. Schneider, *Communism in Guatemala, 1944–1954* (New York: Frederick Praeger, 1958), pp. 46–48.

24. "Citation Accompanying the Medal for Merit Awarded to William D. Pawley, 13 May 1946," in *Public Papers of the Presidents, Harry S. Truman, 1945–1953* (Washington, DC: U.S. Government Printing Office, 1966).

25. Smiley, "Private Wars," p. 8.

moment, a situation that proved frustrating to Pawley. Patience in carrying out a complex foreign policy was fundamentally incompatible with his worldview. This became evident almost from the onset of the Cold War, especially once the new struggle dragged on for decades without a clear-cut victor.

## The New Menace

In late 1945, Harry Truman appointed Pawley the U.S. ambassador to Peru and one year later reassigned him to Brazil, where he served until 1947.<sup>26</sup> Pawley was neither the most diplomatic nor learned of ambassadors (reflecting his meager education, he had trouble spelling multisyllabic words), and he reportedly contracted stomach ulcers in Rio de Janeiro—and undoubtedly gave some in return. For a time he hoped to replace Spruille Braden as assistant secretary of state for Latin America and openly campaigned for the job. As a generous contributor to the Democratic Party in 1948, Pawley had the backing of the Democratic National Committee. But his temperament and raw ambition pitted him against career officials who thought him ill-suited for such a prominent post.<sup>27</sup> With his rise in the State Department stymied, Pawley became a roving troubleshooter, filling in wherever he was needed.<sup>28</sup> His affiliation with the State Department ended in 1949, and for the next year or so he concentrated on his business interests, including a new one: in 1950 he took over the assets of a troubled Cuban trolley company and started Havana *Autobuses Modernos*, a privately-owned transit company that functioned as the city's main bus system.<sup>29</sup>

By his own account, Pawley became aware no later than 1935 of the

26. In this regard Pawley was not unusual. Before the U.S. Foreign Service was professionalized, ambassadorships were often awarded to persons of means who could afford to serve. The practice still exists today, though to a much lesser degree. In his memoir, Pawley claims that President Franklin Roosevelt asked him to be the first U.S. ambassador to postwar Czechoslovakia “because he wanted a tough negotiator who would stand up to the power play that was not long in coming from the U.S.S.R.” Pawley, *Russia Is Winning*, p. 7.

27. Braden in his memoir tells of a confrontation with Pawley in front of about twenty other Foreign Service officers. After Pawley vehemently denied campaigning for Braden's post, Braden cited evidence to the contrary, and Pawley abruptly walked out of the meeting. From then on, Pawley regarded Braden as his sworn enemy. When Pawley testified before the Senate Internal Security Subcommittee in the 1960s, he accused Braden of being a Communist sympathizer, the “least likely of charges” given Braden's conservatism. See Spruille Braden, *Diplomats and Demagogues: The Memoirs of Spruille Braden* (New Rochelle, NY: Arlington House, 1971), pp. 379–380.

28. Smiley, “Private Wars,” p. 8; Senate Subcommittee, *Communist Threat*, p. 712. In this capacity in 1948, Pawley attended the Bogotá Conference, negotiated U.S. military base rights in Franco's Spain, and was a member of the U.S. delegation to the United Nations (UN) General Assembly meeting in Paris. The negotiation with Franco involved U.S. support for Madrid's admission to the UN in return for basing rights in Spain.

29. Senate Subcommittee, *Communist Threat*, p. 712.

menace posed by world Communism. The 1948 riot in Bogotá, which Pawley attributed to Communist agitation, and the “total disaster to U.S. interests in the Orient” with the Chinese Communist victory in 1949, which Pawley traced to Washington’s pusillanimity, persuaded him that the United States was engaged in a deadly struggle against an enemy far more cunning and dangerous than the “Jap” militarists had ever been. Pawley absolved George Marshall, one of his personal heroes, of all responsibility for the China debacle, but he made no secret of his disdain for Dean Acheson and other State Department officials who Pawley believed were insufficiently militant in their anti-Communism.<sup>30</sup>

First-hand exposure to the inner workings of government, even at a relatively high level, had not tempered Pawley’s perspective. He continually insisted that there was a Communist hand behind every ostensible setback to American interests abroad. Most notably, he embraced the unswerving conviction that effective anti-Communist policies were perpetually being thwarted by fuzzy thinkers—or subverted by “hidden mechanisms of disloyalty”—in the Department of State.<sup>31</sup> Pawley believed that every country lost to world Communism had been turned over by a variant of the State Department’s “China hands.”<sup>32</sup> Another facet of Pawley’s behavior that truly distinguished him in Washington, particularly in his relations with the State Department, was his seeming inability to have differences over policy without personalizing them and accusing those who disagreed with him of being hopelessly naïve or worse. Although he belonged to the generation of the so-called Wise Men—Dean Acheson, Robert Lovett, John McCloy—he could never be confused with these pillars of the foreign policy establishment.

Pawley’s reputation as demanding, opinionated, and intemperate was such that when President Truman wanted him to rejoin the State Department for another stint in early 1951, it took a direct presidential order. With the outbreak of a proxy war in Korea, Pawley once again seemed more prescient than impetuous, and in February 1951 the president asked Pawley to become an adviser on East Asian matters. Dean Acheson, who by this point was secretary of state, objected in the strongest terms. When Acheson finally realized he had no choice, he vowed to marginalize his unwanted special assistant. The day Pawley reported to work he learned that Acheson had frozen him out of the distribution scheme for East Asia policy papers. “I had not been sworn in

30. By all indications, Pawley believed that Acheson’s policy amounted to “cowardly Communist containment,” to borrow a loaded phrase from the 1950s.

31. Pawley, *Russia Is Winning*, p. 7. The September 1960 testimony before Senator Eastland’s subcommittee (the *Communist Threat* hearings) illustrates Pawley’s tendency to personalize disputes over policy.

32. Senate Subcommittee, *Communist Threat*, pp. 713–714, 727–728, 735–736.

to advise Acheson on our policy in Finland,” Pawley later wrote. Another man might have resigned immediately, but Pawley was a resourceful bureaucratic in-fighter, and he surreptitiously arranged (via then Secretary of Defense George Marshall) to receive copies distributed to the Pentagon of every important document produced by the State Department’s Policy Planning Staff.

The satisfaction of outmaneuvering Acheson lasted only a few months. In late 1951 a disgruntled Pawley moved over to the Defense Department as a special assistant to Secretary of Defense Robert Lovett, who put Pawley’s considerable skills as a salesman and tough negotiator to good use. Pawley again became a globe-trotting troubleshooter, and Lovett entrusted him with any number of “nasty problems” involving the stationing of U.S. forces or matériel overseas.<sup>33</sup> Pawley’s ability to drive a hard bargain was one of his outstanding skills, and he served as Lovett’s special assistant until September 1952.<sup>34</sup>

After 1952, Pawley never occupied an official post in the U.S. government again. Yet during his seven years of off-and-on government service, Pawley had managed to forge many relationships, including some friendships, with men who remained in important positions in the government for decades. Five of the foreign service officers on his staff in Rio became U.S. envoys in their own right, earning a rank that was also Pawley’s preferred form of address for the rest of his life: Ambassador.<sup>35</sup> His assistant military attaché in Brazil, Major Vernon Walters, served as deputy director of the CIA from 1972 to 1976.<sup>36</sup> These acquaintances gave Pawley information, influence, and entrée into policymaking circles despite his lack of an official portfolio. Simultaneously, his knowledge of local elites in Latin America, along with his eagerness to introduce them to up-and-coming, influential politicians like George Smathers, kept Pawley involved in the making of foreign policy, despite a dramatic shift in his political allegiances in November 1952—a shift that seems to have much to do with Pawley’s belief that Washington was being much too passive about the Cold War.<sup>37</sup>

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33. Pawley, *Russia Is Winning*, pp. 308–309. Among other duties, Pawley was a member of the defense secretary’s delegation to the 1952 North Atlantic Treaty Organization (NATO) Conference in Lisbon; negotiated base rights in France for U.S. forces; and forged an agreement with India that prevented strategic minerals from being freely traded with the Soviet bloc.

34. Senate Subcommittee, *Communist Threat*, p. 712.

35. Smiley, “Private Wars,” p. 8; and Pawley, *Russia Is Winning*, p. 140.

36. Pawley was also well acquainted with Allen Dulles, the director of Central Intelligence from 1953 to 1961; Lieutenant General Marshall “Pat” Carter, the deputy director of the CIA from 1962 to 1965; Colonel J.C. King, for many years the chief of the CIA’s Western Hemisphere Division in the DD/P; and the various chiefs of the CIA’s JMWAVE station in Miami.

37. Senator Smathers (D-Florida) represented Pawley’s home state and was particularly influential in Congress on U.S. policy toward Latin America in the 1950s and early 1960s, when the region more often than not was considered a foreign policy backwater. Smathers was known as “the senator from

Recent scholarship has underscored that the Truman administration's policy of containment in Europe actually featured elements (namely, covert action and psychological warfare) more commonly associated with an aggressive strategy of rolling back Communist gains.<sup>38</sup> By the final years of the administration, however, the "rollback" impulse had been displaced almost entirely by a sober reformulation that bore Charles Bohlen's imprint. According to Gregory Mitrovich, Bohlen articulated a strategy based on the "rational hope" that the Soviet Union would, if sufficiently contained, collapse at some distant, unforeseeable point because of the system's internal contradictions.<sup>39</sup> In addition to adopting this more circumspect strategic doctrine, the Truman administration had firmly committed itself to a policy of limited war on the Korean peninsula.

The Truman administration's strategy was anathema to Pawley, if only because its approach favored patience and perseverance over rash action. To Pawley's way of thinking, this was a defeatist attitude, though it was also true that Pawley's thwarted personal ambitions were probably inseparable from his criticism. He harbored bitter feelings toward many erstwhile colleagues in the Foreign Service, and in the years to come he attributed all of Washington's setbacks in the early Cold War to the "terrific errors of judgment" in the years when the Democrats were in control (or to Democratic holdovers in the Eisenhower administration, who were present when Castro came to power in 1959).<sup>40</sup> For these reasons, Pawley, heretofore an ardent internationalist Democrat, broke party ranks in 1952 and publicly supported the Republican nominee, Dwight Eisenhower.<sup>41</sup> Pawley's defection went beyond ideology. Political campaign contributions were generally unregulated at the time, and Pawley

Latin America" because of his persistent advocacy on all matters pertaining to the region, including criticism of Washington for being indifferent to hemispheric affairs. Smathers visited Latin America at least annually and often met with influential elites introduced to him by Pawley. The two men were of like mind on almost every important issue concerning the region. See Pawley, *Russia Is Winning*, pp. 151–158; Brian Lewis Crispell, *Testing the Limits: George Armistead Smathers and Cold War America* (Athens, GA: University of Georgia Press, 1999), pp. 94–98, 102; and Robert Sherrill, "The Power Game: George Smathers, The Golden Senator from Florida," *The Nation*, 7 December 1964, p. 427.

38. Among the first scholars to demonstrate that Truman's strategy of containment featured some aggressive elements was Melvyn Leffler in *A Preponderance of Power: National Security Policy, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992). The outstanding work on this question is Gregory Mitrovich, *Undermining the Kremlin: America's Strategy to Subvert the Soviet Bloc, 1947–1956* (Ithaca: Cornell University Press, 2000).

39. Mitrovich, *Undermining the Kremlin*, pp. 92–94.

40. William Pawley to Richard Nixon, 18 July 1960, in National Archives–Pacific Region (NAPR), Nixon Pre-Presidential Material, Series 320, Box 582, Pawley Folder.

41. Pawley, *Russia Is Winning*, pp. 323–324. How long Pawley had known Eisenhower by then is unclear, but the two men corresponded as early as 1947, the same year they visited Brazil together. Pawley may have played a role in persuading Eisenhower to run, and to run as a Republican.

raised hundreds of thousands of dollars for the 1952 Republican ticket in addition to spearheading the “Democrats for Eisenhower” movement.<sup>42</sup> Neither task was a burden for the peripatetic businessman, who routinely made *The New York Times* annual list of the ten highest salaried persons in America.<sup>43</sup>

The first Republican presidency of the Cold War proved more Manichean and moralistic in its approach to the global geopolitical struggle—if not in actuality then certainly in rhetorical terms.<sup>44</sup> There was also greater sympathy in Republican circles for the view that U.S. investment abroad was the cutting edge of the national interest and was therefore one of the first targets of Communist propaganda and calumny. More specifically, the Eisenhower administration’s penchant for vigorous covert action dovetailed nicely with the brisk, decisive approach Pawley favored in such matters. What heartened Pawley most was that President Eisenhower turned repeatedly to him in the 1950s when Communism threatened to spread to the Western hemisphere—America’s backyard and, no less significantly, Pawley’s.<sup>45</sup>

## Operation PBSUCCESS

Normally a sleepy international backwater, Guatemala by the early 1950s had become a contested front in the struggle between the Soviet bloc and the West. In the decade after 1944, the Communist movement in Guatemala had grown from a few adherents in dictator Jorge Ubico’s prisons to a clandestine nucleus of perhaps forty members in 1949 and to four thousand card-carrying party members and several times that number of sympathizers by 1953.<sup>46</sup> Arguably, Communism by then carried as much appeal and influence in Guatemala as in any country outside the Soviet bloc, and the country was becoming a focal point for Moscow to expand its influence in the Western Hemisphere.<sup>47</sup> Communists held “commanding positions” in the Guatemalan labor movement (which in turn was affiliated with the Communist-controlled

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42. Pawley raised a reported \$250,000 for Dwight Eisenhower’s presidential campaigns in 1952 and 1956, which would translate into approximately \$1.8 million in 2005 dollars. See “William D. Pawley, Financier, Dies at 80,” p. 18.

43. Smiley, “Private Wars,” p. 8.

44. By 1955, as Mitrovich points out, a chastened Eisenhower administration essentially retreated to a variation of Bohlen’s “doctrine of rational hope” as its strategy. Mitrovich, *Undermining the Kremlin*, pp. 122, 163–169.

45. Pawley, *Russia Is Winning*, pp. 323–324.

46. See Schneider, *Communism in Guatemala*, esp. pp. 55–88, on the growth of the Communist movement during this period.

47. *Ibid.*, p. 1.

World Federation of Trade Unions), the Arbenz political coalition, and the government itself, including key positions in certain strategic agencies.<sup>48</sup> The country was unmistakably heading leftward, and the “ascending curve of Communist influence” merely increased after Arbenz came to power in 1951.<sup>49</sup>

National and international media coverage of the increasingly contentious relationship between Guatemala and the United States often conveyed that story via the tribulations of the Boston-based United Fruit Company (UFCO), whose domination of the Guatemalan economy was exceptional. This focus became even more intense after the expropriation of some UFCO holdings by the Arbenz government in February 1953 under land redistribution laws passed the previous year. To be sure, UFCO was a determined, even reactionary, opponent of efforts to alleviate glaring economic inequalities in Guatemala. Company executives had become alarmed as early as 1947 when the government attempted to reform Guatemala’s labor laws, and they promptly turned to the U.S. embassy for relief. When the embassy would go only so far, UFCO retained (among many others, and at great expense) Edward Bernays, the so-called father of modern public relations, and Tommy Corcoran, a “purveyor of concentrated influence,” to make its case at the highest levels of the U.S. government and among the opinion-making elite.<sup>50</sup> Ultimately though, the travails of a prominent, influence-peddling U.S. corporation were not the decisive factor in persuading Washington that the Arbenz government posed a threat to U.S. interests.<sup>51</sup> The dispositive element was Guatemala’s drift toward becoming a beachhead for Soviet influence in the hemisphere and the challenge it represented to American hegemony in a neighboring region during the Cold War. Oddly enough, one of the main sore points as far as Washington was concerned was the Arbenz government’s gratuitous propagation of a lie manufactured in Communist propaganda mills, namely, that the United States was using “germ warfare” in Korea.<sup>52</sup>

48. *Ibid.*, pp. 1–2, 183; and Blasier, *Hovering Giant*, p. 155.

49. “Notes of the Under Secretary’s Meeting,” 15 June 1951, in *FRUS*, 1951, Vol. II, pp. 1440–1442. See also “Intelligence Report Prepared in the Office of Intelligence Research,” 1 January 1953, in *FRUS*, 1952–1954, Guatemala, pp. 56–66.

50. Cullather, *Secret History*, pp. 17–19. The description of Corcoran is from *Fortune* magazine.

51. As a 1952 letter to then Senator Richard Nixon from a mining engineer vividly illustrates, UFCO was by no means the only business concern to alert the U.S. government about the leftward drift of the Guatemalan government. Robert Sayre to Richard Nixon, 23 September 1952, in Richard M. Nixon Library (RMNL), Pre-Presidential Series 11.217.1.

52. The *Comité Nacional de la Paz* (National Peace Committee), the principal vehicle for propagating Communist propaganda in Guatemala, was affiliated with the Soviet-funded World Peace Council and succeeded in getting the film “Bacteriological Warfare in Korea” shown in government-run schools. Complementary allegations appeared in official publications of the Guatemalan government. See “Support Material on Guatemala with Attachment [Soviet Communism in Guatemala],”

“They [the United States] would have overthrown us even if we had grown no bananas,” concluded José Manuel Fortuny, a Guatemalan Communist Party leader, many years after the 1954 coup.<sup>53</sup>

Although documentation is unavailable, Pawley likely was aware, given his job in the Pentagon and his contacts within the CIA and State Department, of the debate within the Truman administration in the summer of 1952 over what, if anything, to do about the Arbenz government. Pawley may even have been aware of the September 1952 decision to overthrow Arbenz by force.<sup>54</sup> But less than a month after the CIA was given the go-ahead for the covert operation PBFORTUNE, Secretary of State Dean Acheson received word that the U.S. hand was already visible. This disclosure prompted him to terminate U.S. support for a coup d'état. The State Department had consistently expressed deep reservations about the idea, if only because any exposure of a U.S. role threatened to undo what was left of the “Good Neighbor” policy initiated by the Roosevelt administration.<sup>55</sup>

When the Eisenhower administration took office in January 1953, the top officials realized that the Arbenz government was an unresolved problem. Two of the most important figures in the new government—Under Secretary of State Walter Bedell Smith and CIA Director Allen Dulles—were Truman holdovers, having served in the CIA when Operation PBFORTUNE was mounted. Dulles, in fact, was the first to broach the notion of bringing William Pawley back inside the new administration, knowing full well that Pawley would be an energetic proponent of doing something if given the smallest opening to express his opinion and exercise his influence.

Apparently unbeknownst to Pawley—for he makes no mention of it in

unclassified paper, 30 June 1954, in CIA Guatemala ERR; Translation, “Diario de Centro-América,” 12 July 1952, in RMNL, Pre-Presidential Series 11.217.4; and Schneider, *Communism in Guatemala*, p. 255. Regarding the germ warfare allegation, perhaps the most successful disinformation operation during the early Cold War, see Kathryn Weathersby, “Deceiving the Deceivers: Moscow, Beijing, Pyongyang, and the Allegations of Bacteriological Weapons Use in Korea,” *Cold War International History Project Bulletin*, Issue No. 11 (March 1998), pp. 176–185; and Milton Leitenberg, “New Russian Evidence on the Korean War Biological Warfare Allegations: Background and Analysis,” *Cold War International History Project Bulletin*, Issue No. 11 (March 1998), pp. 185–200.

53. Quoted in Gleijeses, *Shattered Hope*, p. 366. In his definitive if tendentious history, Gleijeses also makes the point that official U.S. reporting actually *underestimated* the extent of Communist influence during the Arbenz years.

54. Cullather, *Secret History*, p. 29. Allen Dulles, then the deputy CIA director, received explicit approval for the covert action from Under Secretary of State David Bruce in September 1952.

55. “Note re Guatemala 1954 coup,” 21 March 1955, in CIA Guatemala ERR. In addition to the threat of exposure, the imminence of the presidential election seems to have persuaded Acheson to scrap PBFORTUNE. The last ten months of the Truman administration were a “virtual interregnum,” in Acheson’s words, and he may have concluded that any dramatic departure from established policy ought to be decided by the incoming administration, which would have to contend with any consequences. See Douglas Brinkley, *Dean Acheson: The Cold War Years, 1953–71* (New Haven, CT: Yale University Press, 1992), p. 6.

his memoir—in March 1953, as the Eisenhower administration was contemplating practical ideas for combating Communism in the hemisphere, Allen Dulles put forward the idea of appointing Pawley as a special presidential emissary to Central America. Dulles's memorandum to Under Secretary Smith on 8 March provides another illustration of how U.S. investments and business executives abroad functioned as a warning system about hostile developments. In the document, Dulles recounted to Smith that he had been visited recently by two American citizens "who have large [economic] interests in the country."<sup>56</sup> The businessmen "indicated that they did not feel they could get anything whatever out of the [U.S.] embassy in the way of protection of American interests, and hinted at darker things." Rudolf Schoenfeld, the U.S. ambassador to Guatemala, was a conventional career diplomat and too "timid," according to Dulles. The administration should thus consider "sending a two-fisted guy to the general area on a trip of inspection and to report to the president."<sup>57</sup> Pawley "or someone of his type might be considered," suggested Dulles. "I recognize that Pawley is hard to control, but he is fearless and gets things done even though he may break a little crockery in doing it."<sup>58</sup> Such a mission did occur in 1953, although Pawley was not the person chosen to undertake it. Instead, President Eisenhower sent his brother, Milton Eisenhower, then president of Pennsylvania State University, on a tour of the hemisphere as a special envoy. Milton Eisenhower was a far more conciliatory figure than Pawley, and the focus of his survey was not exclusively Central America—a survey that might have raised eyebrows—but the situation in all of Latin America.<sup>59</sup>

By the late summer of 1953, the situation in Guatemala had only worsened from Washington's perspective. The sole remaining obstacle to a full-scale Communist takeover, it appeared, was the Guatemalan armed forces. A long-time axiom of Guatemalan politics was that "although the army does not govern, in the last analysis it determines who does."<sup>60</sup> When it appeared that the army would not rise against Arbenz spontaneously, the Eisenhower administration decided to induce the military to act before it, too, become pene-

56. Although Dulles does not identify the businessmen, they do not appear to be from UFCO.

57. Dulles's exact observation was that Schoenfeld is "timid [having] never recovered from his treatment at the hands of Ana Pauker." Before his posting in Guatemala, Schoenfeld had been U.S. ambassador to Romania, where Ana Pauker, a notorious Stalinist, had served as foreign minister. (Pauker herself later fell victim to the Stalinist purges.)

58. "Memorandum re PBFORTUNE," 8 March 1953, in *FRUS*, 1952–1954, Guatemala, p. 79. As noted earlier, the Dulles memorandum to Walter Bedell Smith is one of the two newly declassified documents that refer to Pawley.

59. Eisenhower, *White House Years*, p. 149; and Cook, *Declassified Eisenhower*, pp. 257–258.

60. John Gillin and K.H. Silvert, "Ambiguities in Guatemala," *Foreign Affairs*, Vol. 34, No. 3 (April 1956), p. 479.

trated by Communists, hopelessly compromised, or no longer the final arbiter of who ruled.<sup>61</sup> Of equal significance, by mid-August 1953 a roughly comparable situation in Iran had just been resolved to Washington's great satisfaction via covert action. Operation TPAJAX, a joint effort by British and American intelligence operatives, had resulted in the overthrow of Mohammad Mosadeq, a prime minister deemed hostile to Western interests. The coup in Iran also led to the decimation of the Communist Tudeh Party, the installation of a new, pro-Western government, and the restoration of the shah's authority.<sup>62</sup> The Eisenhower administration viewed this clandestine activity as a potent new weapon in the Cold War (and perhaps even a "foreign policy panacea") and was eager to bring it to bear in Guatemala.<sup>63</sup> The CIA was only too glad to oblige. Allen Dulles believed that espionage, and the related business of generating intelligence estimates, were too cheaply obtained by Washington standards. The amount of money they required would never command enough respect on Capitol Hill for the relatively new CIA. If the agency was ever going to amount to anything, it needed to command a real budget measured in the tens of millions of dollars. The fastest way to do that was to corner the "legitimate and growing market for covert action."<sup>64</sup>

In August 1953 the administration's Psychological Strategy Board (PSB) authorized the CIA director to begin planning covert operations against the Arbenz regime that would culminate in his downfall. The plan, dubbed PBSUCCESS, was assigned an "extremely high operational priority" by the Eisenhower administration.<sup>65</sup> Because the basic concept was to prod the Guatemalan army into action rather than bringing about Arbenz's removal through a bloody civil war and sheer force of arms, PBSUCCESS was considered primarily an operation in psychological warfare.<sup>66</sup>

61. "Memo to Frank Wisner with Attachment," 26 July 1954, in CIA Guatemala ERR. A National Intelligence Estimate (NIE), the consensus opinion of the U.S. intelligence community, was issued on 19 May 1953 concerning Guatemala, and this estimate (NIE-84) provided the grounds for planning what became Operation PBSUCCESS. Washington feared that the Guatemalan officer corps would, over time, be subject to Communist influence through forced retirements, intimidation, or transfers; that anti-Communist officers might be placated or corrupted; and finally that the Arbenz regime might arm a left-wing militia that could outflank the army.

62. Mark Gasiorowski and Malcolm Byrne, eds., *Mohammad Mosaddeq and the 1953 Coup in Iran* (Syracuse, NY: Syracuse University Press, 2004).

63. Helms, *A Look over My Shoulder*, p. 117.

64. *Ibid.*, pp. 105–106.

65. *FRUS*, 1952–1954, Guatemala, pp. 86–87.

66. Further indication of the emphasis on psychological as opposed to actual warfare can be found in animated discussions over whether to authorize more intense air-to-ground bombing after the invasion commenced. There was great reluctance to permit direct attacks on the Guatemalan military because it was feared that such bombings would alienate and antagonize the Guatemalan army and rouse it to defend the Arbenz government. "Telegram from the Central Intelligence Agency to Operation PBSUCCESS Headquarters in Florida," 19 June 1954, in *FRUS*, 1952–1954, Guatemala, pp. 350–

On 16 May 1954, nine months into the planning, President Eisenhower called Pawley at his Miami Beach home and asked him to come to Washington immediately on an urgent and confidential matter.<sup>67</sup> Thus began Pawley's three-month involvement in what he would later describe as "Strangling a Red Dictatorship in Guatemala."<sup>68</sup> Analysts who have reconstructed the coup have all but neglected Pawley's behind-the-scenes contribution.<sup>69</sup> The lack of attention is not surprising insofar as considerable efforts were made to keep his involvement under wraps. Even basic records, like the president's appointment log, were doctored so that visits with Pawley would go unrecorded.<sup>70</sup> Other records would never be created at all. By temperament and inclination, Pawley was well suited for such clandestine work. Out of sheer habit, and dating back to his days as a traveling salesman in South America, he was adept at "working out of his pockets" and not putting things down in official memoranda.<sup>71</sup>

Pawley arrived in Washington late on the evening of 17 May and immediately entered into discussions with the two men who met him at National Airport: Henry Holland, the assistant secretary of state for inter-American affairs since March, and Walter Donnelly, a former U.S. ambassador to Costa Rica, Venezuela, and Austria, who had resigned from government service in January 1953 to become U.S. Steel's Latin American representative stationed

351; "Telegram from the Central Intelligence Agency to the CIA Station in Guatemala," 20 June 1954, in *FRUS*, 1952–1954, Guatemala, p. 358; and "Telegram from the Central Intelligence Agency to Operation PBSUCCESS Headquarters in Florida," 20 June 1954, in *FRUS*, 1952–1954, Guatemala, p. 361.

67. Pawley, *Russia Is Winning*, p. 330. The phone call is not documented in the extant record. Rather, a memorandum of conversation between Secretary Dulles and President Eisenhower on 19 May, Dulles proposes that a special committee, consisting of Milton Eisenhower, Donnelly, and Pawley, advise the administration on how to invoke the Caracas Resolution at an upcoming meeting of the Organization of American States (OAS). Dulles makes no mention of having the group evaluate Operation PBSUCCESS, whereas Pawley specifically indicates that he was given this additional task. The date given in Pawley's memoir for the telephone call, 16 May, was one day after the *M/V Alfhem* arrived in Puerto Barrios, Guatemala, with 2,000 tons of Czechoslovak weapons. The landing was publicly disclosed by Secretary of State Dulles on 17 May. "Memorandum of Conversation with the President, by the Secretary of State," 19 May 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1116–1117.

68. The quotation is taken from the title to chapter XI in *Russia Is Winning*.

69. Gleijeses, in the best account that draws from the most sources, foreign and domestic, makes no mention of Pawley's role; neither does Immerman or Cullather in two other works wholly devoted to the 1954 coup. The first book to refer to Pawley's role was Wise and Ross, *Invisible Government*, p. 171. The authors mention a "former high United States diplomat" brought in by Eisenhower to serve as "secret civilian adviser," but they do not identify Pawley by name. The 1974 NACLA volume was the first to identify Pawley as the secret adviser. Schlesinger and Kinzer, *Bitter Fruit*, p. 145; and *FRUS*, 1952–1954, Vol. IV, describe Pawley as a key adviser during PBSUCCESS but primarily in the context of the State Department's Guatemalan Group and as a liaison to the Defense Department.

70. According to James Leyerzapf, DDE Library archivist, Eisenhower archivists have found, albeit rarely, "suggestive evidence in documents that there were unrecorded visits." James Leyerzapf, personal communication, 7 June 1999.

71. Smiley, "Private Wars," p. 28.

in Caracas. The three men stayed up until 2:00 a.m. in Washington's Mayflower Hotel discussing Guatemala. Pawley could barely contain his excitement at the "scent of real action," his first since the "Flying Tiger" days.<sup>72</sup> Holland informed Pawley that the Eisenhower administration had finally decided that the "time had arrived" (as Secretary of State John Foster Dulles put it) to settle the Guatemala problem before the Central American country became a "denied area."<sup>73</sup>

Holland explained that the president wanted an independent evaluation, by knowledgeable persons whose judgment and discretion he trusted, of the CIA plan to depose President Arbenz using a band of insurgents under the leadership of Colonel Carlos Castillo Armas.<sup>74</sup> With Eisenhower's approval, the non-paramilitary elements of PBSUCCESS were already under way. But it was the paramilitary aspects that were the most troubling, controversial, and risky. What were the true capabilities of the insurgents? What else would Castillo Armas need to mount a successful coup? The president wanted Pawley and Donnelly to participate in the evaluation committee, along with Milton Eisenhower, based on his earlier survey of U.S. relations with Latin America.

Before the committee could get started, Milton Eisenhower's wife learned she had cancer, forcing him to withdraw from the project. Eventually, Donnelly would also bow out. Donnelly believed it was incumbent on him to inform U.S. Steel about his proposed involvement in a covert task so that the corporation could weigh the implications of disclosure. According to Pawley, U.S. Steel executives reluctantly decided that Donnelly's usefulness in the region would be compromised should his role surface. He had to choose between his lucrative job and the mission, and he chose the former.<sup>75</sup> In the end, the evaluation committee came down to Pawley alone.

Before Donnelly stepped down, he and Pawley occupied offices in the

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72. Pawley, *Russia Is Winning*, p. 330.

73. "Memorandum of Conversation, by the Secretary of State," 11 May 1954, in *FRUS*, 1952-1954, Vol. IV, p. 1106; and "Cable to Director from LINCOLN," 2 March 1954, in CIA Guatemala ERR.

74. Allen Dulles was initially given this task in August 1953, and he approved the DD/P's PBSUCCESS plan on 9 December 1953. Thus the covert operation was in the works well before Pawley was contacted by the president. Subsequently, so many rumors about U.S. preparations began to circulate that Assistant Secretary of State Holland demanded a "top-level review" of the project on 10 April 1954. According to Cullather, the Dulles brothers gave the "full green light" on 17 April, weeks before Pawley was contacted. But until the Czechoslovak weapons shipment arrived, there was always a chance that Holland or another State Department official would "pull the plug on PBSUCCESS." Full operational readiness was not anticipated until mid-June. Cullather, *Secret History*, pp. 81-82, 129-131. According to Evan Thomas, who had privileged access to classified histories, President Eisenhower did not give his final approval until 15 June. See Thomas, *Very Best Men*, p. 119.

75. Pawley, *Russia Is Winning*, p. 332.

State Department next to those of Henry Holland and held daily sessions to review PBSUCCESS. These meetings were attended by either Allen Dulles or Frank Wisner, the deputy director for plans, and CIA facilities were put at the disposal of Donnelly and Pawley. The two men also received help from Thruston Morton, the assistant secretary of state for congressional relations, and John Peurifoy, the U.S. ambassador to Guatemala who had replaced Rudolf Schoenfeld in November 1953. In “Jack” Peurifoy, Pawley found a fellow Carolinian and certainly a kindred soul. Peurifoy was every bit as blunt and tough an anti-Communist as Pawley, having come to Guatemala after a three-year tour in Greece.

It is impossible to know whether the recommendation from the “committee” to the president would have been different if Milton Eisenhower had been involved. The president may have intended to have his brother’s and Pawley’s views balance each other out, leaving Donnelly as the deciding vote—assuming that the president was willing to accept a less-than-unanimous judgment.<sup>76</sup> But it was not surprising when Pawley reported to the president that the “Castillo Armas movement” merited full U.S. support.<sup>77</sup> Indeed, even if the Castillo Armas movement had not existed, Pawley would undoubtedly have called for it to be set up.

Having endorsed the plan, Pawley now thrust himself into making it succeed. In his most open but non-public guise, he began to attend meetings of what was known inside the State Department as the “Guatemalan Group,” an ad hoc committee of mid-level officials working on diplomatic and other overt aspects of the crisis.<sup>78</sup> These officers initially were responsible for devising a U.S. strategy for hemispheric action against the Arbenz regime through the Organization of American States (OAS).<sup>79</sup> Although most of the officers were unaware of the CIA’s backing of Castillo Armas’s forces, the Guatemalan Group was supposed to exert maximum diplomatic pressure on the Arbenz

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76. Given that Allen Dulles suggested Pawley evaluate the situation in 1953, it seems plausible that he also recommended Pawley to the secretary of state and/or president in May 1954, knowing full well that Pawley would almost certainly favor Dulles’s penchant for covert action.

77. Pawley, *Russia Is Winning*, p. 333.

78. Initially, the Guatemalan Group consisted of seven of Holland’s top deputies: Edward Cale, director of the Office of Regional American Affairs; Rollin Atwood, director of the Office of South American Affairs; Charles Burrows, director of the Office of Middle American Affairs; John Dreier, ambassador to the OAS; Edward Jamison, deputy director of the Office of Regional American Affairs; and Raymond Leddy, officer in charge of Central American and Panama Affairs, Office of Middle American Affairs.

79. In March 1954 the OAS had adopted the Caracas Resolution, directed at Guatemala, during the Tenth Inter-American Conference. The resolution condemned the spread of international Communism to the Western hemisphere. Gleijeses, *Shattered Hope*, ch. 12; and Wood, *Good Neighbor Policy*, pp. 175–185.

regime in concert with the planned insurrection.<sup>80</sup> The first of nineteen Guatemalan Group meetings occurred on 10 May in Assistant Secretary Holland's office a few days before Pawley came on board. As the crisis progressed, the group was enlarged to as many as seventeen officials, including Pawley (and Donnelly initially), Frank Holcomb representing the CIA, and numerous State Department representatives.<sup>81</sup> New tasks were also continuously added as the crisis progressed, including pleading the U.S. case (and countering Guatemala's positions) in international settings.<sup>82</sup>

With other members of the Guatemalan Group, Pawley engaged in some of the social diplomacy for which he was well known in Washington. In 1941, he had built a ten-room house in Miami Beach, which he considered home even though he rarely lived there for the next thirty years; it was more like a base of operations. To stay involved in Washington, Pawley knew he had to maintain a physical presence there. So he also kept an 800-acre farm estate in The Plains, Virginia, only an hour's drive from the capital, where he could entertain and keep in touch with important U.S. and foreign officials on a first-name basis.<sup>83</sup> A typical weekend might find a general from the Pentagon, or J.C. King from the DD/P, hunting wild game and socializing with Latin American ambassadors and select State Department officials. During the Eisenhower years, Pawley grew particularly close to Vice President Richard Nixon because of their shared views of the Communist threat in Latin America and their sense that it was not being addressed with sufficient vigor and skill.<sup>84</sup>

80. Officials in the State Department knowledgeable about PBSUCCESS included Secretary of State John Foster Dulles; Under Secretary Walter Bedell Smith; Assistant Secretary of State Henry Holland; Deputy Assistant Secretary Thomas Mann; the U.S. ambassadors to Guatemala (John Peurifoy), Nicaragua (Thomas Whelan), and Honduras (Whiting Willauer); and Raymond Leddy, the officer in charge of Central American affairs. After receiving a clearance in August 1953, just as planning for PBSUCCESS began in earnest, Leddy attended weekly meetings held by the DD/P in the months leading up to Castillo Armas's attack. "No other echelons or personalities" in the State Department's American Republics bureau were witting, though some officers undoubtedly had their suspicions. "SUBJECT: PBFORTUNE—Meeting with DD/P," 19 August 1953, in *FRUS*, 1952–1954, Guatemala, pp. 89–90.

81. Wood, *Good Neighbor Policy*, p. 255. *FRUS*, 1952–1954, Vol. IV, notes that the Guatemalan Group met almost daily during May, June, and early July 1954, but it provides minutes only from the meetings on 10 May, 9 June, 16 June, 23 June, and 25 June. Other State Department officers who became involved included Norman Pearson, William Wieland, Francis Herron, Robert Woodward, William Warren, and Edward Sparks. A Colonel Clark, presumably from the Pentagon, also attended. The first Guatemalan Group meeting that Pawley attended was on 9 June.

82. On the diplomatic maneuvering in the U.N. Security Council, see Blasier, *Hovering Giant*, p. 169.

83. Smiley, "Private Wars," p. 8; and Pawley, *Russia Is Winning*, p. 335A.

84. Pawley's relationship with Nixon was similar to his political friendship with George Smathers. A January 1955 memorandum describes Pawley's effort to have Nixon meet with a small group of "very staunch Eisenhower-Nixon supporters" during an upcoming visit to Mexico. Pawley advised Nixon

Following the arrival of Czechoslovak weapons in Guatemala aboard the M/V *Alfhem* in mid-May 1954, the Guatemalan Group concentrated much of its effort on trying to induce the OAS to pass a tougher statement than the Caracas resolution adopted in March. The new declaration called on Guatemala to “eliminate agents and collaborators of the International Communist movement.”<sup>85</sup> As Pawley recounts in his unpublished memoir:

Our farm at The Plains offered a relaxed setting for a friendly exchange of views with leaders of our Latin neighbors. Edna [Mrs. Pawley] and I arranged a luncheon at our Virginia home, “Belvoir,” on June 13th for a distinguished guest list which included ambassadors from Argentina, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Nicaragua, Venezuela, and six American dignitaries. A week later, we held another, larger luncheon in honor of assistant secretary of state and Mrs. Henry Holland, which was attended by five more key Latin American ambassadors and their wives, and by more than a dozen of our diplomatic and military officials and their wives.

It was to prove a wise “investment.”<sup>86</sup>

Wholly separate from the Guatemalan Group, Pawley and Donnelly (until his departure) worked on many tasks of a diplomatic, military, and intelligence nature directly related to the pending confrontation with the Arbenz regime, with full knowledge of what was in the offing.<sup>87</sup> These projects included the evacuation of Arbenz sympathizers and supporters after the coup, recognition of a new government, and possible economic and military aid to the successor government. Pawley labored with a variety of representatives from the CIA, Defense Department, and State Department to draft these plans. Among other things, Pawley was active in Operation HARDROCK BAKER, the organization of U.S. naval surveillance in the Caribbean to prevent a recurrence of the *Alfhem* landing.<sup>88</sup> With little of the public fanfare that attended the blockade imposed against Cuba eight years later, the Eisenhower

that the Mexican finance minister would be in attendance, along with a Mexican lawyer who was a former partner of Henry Holland, the Texas attorney who was then serving as assistant secretary of state. These “two [Mexican] men will have more to say about relations with us (United States) than any other two in Mexico.” “Memo re Pawley Telephone Call,” 31 January 1955, in NAPR, Nixon Pre-Presidential Material, Series 320, Box 582, Pawley Folder.

85. “Notes of a Meeting of the Guatemalan Group, Held in the Department of State,” 9 June 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1160–1161.

86. Pawley, *Russia Is Winning*, p. 335A. All these countries except Argentina generally supported the U.S. diplomatic position throughout the crisis. See, for example, the list of countries that seconded Washington’s call for an emergency foreign ministers’ meeting. Walter Waggoner, “U.S. and 9 Others Seek Treaty Talk about Guatemala,” *The New York Times*, 27 June 1954, p. 3.

87. “The Second Secretary of Embassy in Guatemala (Hill), Temporarily in Washington, to the Ambassador in Guatemala (Peurifoy),” 30 May 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1152–1154.

88. “The Secretary of State to the Secretary of the Navy (Thomas),” 12 June 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1165–1167; Gleijeses, *Shattered Hope*, p. 312; and Cullather, *Secret History*, p. 82.

administration cordoned off Guatemala for the duration of the crisis to forestall any more Soviet matériel aid to Arbenz. Working out of his office at the State Department, Pawley met with the chief of naval operations and helped him decide where to station U.S. naval forces to intercept potential deliveries to Guatemala.<sup>89</sup> The Gulf of Honduras quarantine, in place by 24 May, included the inspection of ship cargoes and diversion of suspect ships to Panama, actions that did not sit well with several countries, including normally staunch U.S. allies such as Britain and the Netherlands.<sup>90</sup>

Another even more sensitive aspect of Pawley's involvement was his role in fashioning the size and composition of Castillo Armas's fledgling air force prior to the coup. Not coincidentally, this was the key paramilitary issue in PBSUCCESS. The air arm had to be sufficiently effective to matter but not so large or modern as to attract unwanted attention.<sup>91</sup> Pawley's thorough knowledge of aviation, it was thought, would enable him to strike this delicate balance. He worked on constituting Castillo Armas's air arm with Richard Bissell, Dulles's special assistant for the planning and coordination of PBSUCCESS, and alongside H. Struve Hensel, the assistant secretary of defense for international security affairs, whose office was in charge of all U.S. military aid programs. Besides figuring out the configuration of the air wing, and the logistics involved in getting the planes to Nicaragua in working order, the three men had to determine how to transfer the surplus aircraft in a manner consistent with provisions of the Mutual Security Act.<sup>92</sup>

The pre-invasion debate over the size of the rebels' air arm was intense. Pawley, drawing on his extensive experience with the operations of the "Flying Tigers," initially supported the recommendation of Nicaraguan President Anastasio Somoza to provide as many as ten single-engine fighter-bombers to Castillo Armas.<sup>93</sup> (Nicaragua had agreed to be the base for launching air operations and to function generally as a channel between the Pentagon and

89. Pawley, *Russia Is Winning*, p. 336; and Cook, *Declassified Eisenhower*, p. 382.

90. "The Second Secretary of Embassy in Guatemala (Hill), Temporarily in Washington, to the Ambassador in Guatemala (Peurifoy)," 30 May 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1152–1154; Eisenhower, *Mandate for Change*, pp. 424–425; and Grose, *Gentleman Spy*, pp. 379–380.

91. The sensitivity of this issue was amply illustrated when the CIA faced an "aircraft disposition problem" following PBSUCCESS, as reflected in several agency cables. "Aircraft could bear close scrutiny but would only engender additional questions which could be most embarrassing, i.e., how many [aircraft] involved, where obtained, how armed, who flew, who bombed this target or that target, etc. Acceptable answers to these questions would require elaborate story which all would have to stick to and which could stand up under detailed investigation sure to follow. . . . Let this issue die if possible by having air power disappear." Quoted from "Cable to director from LINCOLN," 1 July 1954, in CIA Guatemala ERR; and "Disposal of Airplanes," 9 July 1954, in CIA Guatemala ERR.

92. "Notes on Meeting with Messrs. Pawley and Hensel," 8 June 1954, in CIA Guatemala ERR.

93. Pawley identifies the Nicaraguan president as Luis Somoza, but this son of Anastasio Somoza did not become chief of state until 1956.

Castillo Armas's air force.) Pawley harbored a vivid recollection of how the AVG pilots had damaged more than half of their P-40 fighters in training accidents, long before they entered combat over China. Pawley believed the greater danger was in having too few planes rather than too many, but he found himself in a "heated debate" with Allen Dulles on this very point. The CIA director considered Somoza's request excessive and "stubbornly insist[ed]" that just three aircraft could do the job.<sup>94</sup> Pawley argued that this represented "miserably inadequate air support" and that "an underestimation of the aircraft needs of the Guatemalan liberation force could be fatal to our [sic] mission."<sup>95</sup> Presumably, Dulles worried that Washington's plausible deniability would be at risk if Castillo Armas showed up with ten fighter-bombers, even if they were of World War II vintage. According to Pawley, the decision was his to make and not Dulles's. Yet Pawley finally yielded, much against his better judgment.<sup>96</sup>

Castillo Armas's land forces crossed into Guatemala from Honduras on 18 June 1954. Just as Pawley feared, two of the three F-47 Thunderbolt fighter-bombers in the colonel's air force were out of commission after two days of combat.<sup>97</sup> Colonel Albert Haney, the Florida-based military operations chief of PBSUCCESS, conveyed the bad news to Allen Dulles by telephone on 20 June. With the success or failure of PBSUCCESS seeming to hang in the balance, Haney urgently appealed to Dulles for replacement aircraft, and the next day Dulles and his top advisers debated the request.<sup>98</sup> Frank Wisner, who had worried incessantly over furnishing any aircraft to Castillo Armas in the first place, seemed prepared to see the CIA's largest covert operation to date fail rather than risk exposure by providing more combat planes.<sup>99</sup> Richard Bissell, Dulles's special liaison, later recalled that Wisner was

94. Regarding the transfer of three F-47s via Nicaragua, see "Telegram from the Central Intelligence Agency to Operation PBSUCCESS Headquarters in Florida," 12 June 1954, in *FRUS*, 1952–1954, Guatemala, p. 323; "Purchase of Airplanes in Connection with Project PBSUCCESS," 5 October 1954, in CIA Guatemala ERR; and "Memo re F-47 aircraft," 20 January 1955, in CIA Guatemala ERR.

95. Pawley, *Russia Is Winning*, pp. 336–337.

96. *Ibid.*, p. 337. For an early description of how the air force for Castillo Armas was assembled clandestinely, see Schlesinger and Kinzer, *Bitter Fruit*, pp. 115–116.

97. Pawley, *Russia Is Winning*, p. 338. The F-47 was the postwar designation for the World War II-era P-47 Thunderbolt. According to Thomas, two planes were shot down by small-arms fire, and one crash-landed in Mexico after running out of gas. Thomas, *Very Best Men*, p. 119. Ultimately, the number of aircraft that would be used in PBSUCCESS totaled twelve: three C-47 (DC-3) cargo planes, six F-47 Thunderbolt fighter-bombers, one P-38 Lightning fighter-bomber, one Cessna 180, and one Cessna 140.

98. Schlesinger and Kinzer, *Bitter Fruit*, pp. 173–175.

99. According to Thomas, DD/P Frank Wisner initially opposed creation of a rebel air force because he feared it "would blow the agency's cover." He even threatened to resign over the issue at one juncture. See Thomas, *Very Best Men*, p. 118.

“almost fatalistic,” seemingly prepared to let the cards fall where they may. Dulles, by contrast, was willing to up the ante even at the risk of exposing the CIA’s instrumental role: “He felt that the agency’s reputation and his own were at stake and he intended to fight for both with all his ability and determination.”<sup>100</sup> Pawley uncharacteristically resisted the temptation to say “I told you so,” according to his memoir. All that mattered now was making extra planes available, as Dulles was inclined to do. But that required the concurrence of the State Department.<sup>101</sup>

On the morning of 22 June, Allen Dulles and Pawley went to Assistant Secretary of State Holland’s office. Dulles carried in his hand an overnight CIA dispatch from LINCOLN, the code name for the agency’s command post in Opa-Locka, Florida. Colonel Haney had written that it was “absolutely essential to have [the additional] planes. Now operating on complete shoestring and miracle that performance has been possible.”<sup>102</sup> To Dulles’s and Pawley’s great chagrin, however, Holland was unmoved. He had opposed the paramilitary aspects of PBSUCCESS from the outset as “dishonorable” and now rebuffed the request for three additional aircraft.<sup>103</sup> Holland argued that “we were in the clear when we originally supplied the arms to Nicaragua for use by Castillo Armas’s forces. But now that a civil war exists in Guatemala, it’s a new ball game—we’re bound by treaty not to intervene.”<sup>104</sup> Pawley had never seen Dulles lose his temper before, but the CIA director now lost his composure, shouting “Dammit, I can’t work like this!”<sup>105</sup>

Further sparring with Holland proved futile, but neither Dulles nor Pawley was ready to countenance defeat. They accepted Holland’s suggestion to take the dispute to the highest level in the State Department. In the absence of Secretary of State Dulles, that meant Under Secretary Walter Bedell Smith.<sup>106</sup> Holland, armed with three law books, was adamant and repeated his argument: A shipment of aircraft now would be a clear-cut treaty violation by

100. Bissell, *Reflections*, p. 87.

101. Pawley’s account differs in some details from Richard Bissell’s version, and both memoirs differ from the story presented in *Bitter Fruit*. Pawley wrote that he, Holland, and Dulles went to see Robert Murphy, the deputy under secretary of state, whom Pawley inaccurately identifies as acting secretary in the absence of John Foster Dulles. Bissell’s memoir indicates that he and Holland went to see Under Secretary Smith in Dulles’s absence. Bissell, *Reflections*, p. 87. The authors of *Bitter Fruit* contend that Allen Dulles, along with Bissell and Frank Wisner, went to the State Department and met with Smith and Holland. Schlesinger and Kinzer, *Bitter Fruit*, p. 175.

102. “Cable to Director from Lincoln,” 22 June 1954, in CIA Guatemala ERR.

103. “Minutes of Weekly PBSUCCESS Meeting,” 21 April 1954, in CIA Guatemala ERR.

104. Pawley, *Russia Is Winning*, p. 339.

105. *Ibid.*

106. According to Bissell, Smith was “the official [State Department] liaison with whom we dealt on an almost hour-by-hour basis.” Bissell, *Reflections*, p. 87.

the United States. Dulles and Pawley countered that PBSUCCESS would probably fail if Castillo Armas did not receive more aircraft and that the president had committed himself to taking whatever steps were necessary to prevail. "If it [PBSUCCESS] fails, the flag of the United States has failed," Eisenhower had reportedly said on the eve of the invasion.<sup>107</sup> Heeding the admonitions of Dulles and Pawley, Smith overruled Holland, but the assistant secretary requested that they take the matter to the president. Possibly because Holland was relatively new on the job, Smith agreed, although it was generally understood that few people were better than Smith himself at anticipating the president's mindset.<sup>108</sup>

Given the urgency of the situation, the trio of Dulles, Holland, and Pawley received a prompt hearing at the White House, entering the Oval Office at 2:15 p.m. that same day.<sup>109</sup> As Pawley later described the meeting:

Holland, still armed with his law books, took the floor first but didn't get very far before Eisenhower interrupted him.

"Henry," he said, "put away the law books. Let's discuss this from a practical viewpoint." He turned to Dulles, who as head of CIA probably knew more about the actual workings of the operation than anybody else, and asked him what chance Castillo Armas would have if we didn't replace the planes.

"Nil," Dulles answered.

"And if we supply them?"

"Perhaps twenty percent."

Ike turned to me [Pawley].

"Bill, go ahead and get the planes."<sup>110</sup>

Eisenhower's version of this encounter, as published in his 1963 memoir, concurs with Pawley's account in nearly every particular. According to Eisenhower, Holland's position was that Washington could not resupply Castillo Armas even via the Nicaraguan conduit because of treaty obligations and the grave risk of revealing the U.S. hand. Although Dulles did not claim that re-

107. Pawley, *Russia Is Winning*, p. 338. According to Thomas, the President's injunction was, "When you commit the flag, you commit it to win." See Thomas, *Very Best Men*, p. 119.

108. Bissell, *Reflections*, p. 87. Smith had served as General Eisenhower's chief of staff during World War II.

109. "Editorial Note," in *FRUS*, 1952–1954, Vol. IV, p. 1177. The meeting is listed in President Eisenhower's appointment records as being "Off the Record"—that is, not to be disclosed to the press.

110. Pawley, *Russia Is Winning*, p. 340. One of the CIA documents released in 2003, a memorandum from Richard Bissell referring to the second group of F-47s, observed that "all negotiations concerning the second group of aircraft had to be conducted secretly and ostensibly on behalf of a private group which could invoke neither legal nor diplomatic sanctions." This document reveals why the paper trail is meager and comes closer than any in corroborating Pawley's account of the transaction. "Purchase of Airplanes in Connection with Project PBSUCCESS," 5 October 1954, in CIA Guatemala ERR.

supply would absolutely guarantee victory, he argued that the coup should not be permitted to fail, essentially “for want of a nail.” Eisenhower wrote that he approved the transfer because “to refuse to cooperate in providing indirect support to a strictly anti-Communist faction . . . would [have been] contrary to the letter and spirit of the Caracas Resolution.” The president observed that “even a small amount of air support” could have an “important psychological impact.”<sup>111</sup> The only significant difference between Eisenhower’s and Pawley’s memoirs is that the former neglects to mention that Pawley was present when the pivotal meeting took place.<sup>112</sup>

Allen Dulles received Eisenhower’s decision with his customary good cheer. Dulles told the president on their way out of the Oval office that “when I saw Henry [Holland] walking into your office with three large law books under his arm, I knew he had lost his case already.”<sup>113</sup> Not until a decade later, after Eisenhower’s 1963 memoir was published, did Pawley and Allen Dulles learn how close they had come to losing the argument. Eisenhower recalled that he found Dulles’s estimate of a 20 percent chance of success persuasive because it seemed honest. “It showed me that [Dulles] had thought this matter through, realistically.” The memoir made clear that if Dulles had tried to impress Eisenhower by making a rosy prediction—say, a 90 percent chance of success—the president would have had a much more difficult decision.<sup>114</sup> “It was an insight into [Eisenhower’s] decision-making mystique,” noted Pawley.<sup>115</sup>

After the meeting with Eisenhower, Pawley returned to his office and told his secretary to ask Guillermo Sevilla-Sacasa, Nicaragua’s ambassador to the United States since 1942, to come over immediately. When Sevilla-Sacasa arrived twenty minutes later, Pawley told him he needed a check for \$150,000 to transfer three surplus F-47 Thunderbolts from the Defense Department to Nicaragua for lease to Castillo Armas.<sup>116</sup> Sevilla-Sacasa said it would take sev-

111. Eisenhower, *Mandate for Change*, pp. 425–426.

112. Besides leaving Pawley out, Eisenhower wrote that Secretary of State Dulles was present. Actually Dulles spent a long weekend at his Duck Island, Ontario, vacation home and did not return to Washington until late on 22 June. “President Calls 2-Party Talk on Far East,” *The Washington Post*, 23 June 1954, p. 7. Pawley’s accuracy on this point helps to corroborate his account.

113. Eisenhower, *Mandate for Change*, pp. 425–426.

114. *Ibid.*

115. Pawley, *Russia Is Winning*, p. 340. Schlesinger and Kinzer add another coda to the Oval Office meeting in *Bitter Fruit*. They recount how Eisenhower later complained about Holland’s presentation. “If you at any time take the route of violence or support of violence . . . then you commit yourself to carry it through,” said Eisenhower to his military aide, General Andrew Goodpaster. See Schlesinger and Kinzer, *Bitter Fruit*, p. 178.

116. In his memoir Eisenhower identifies the replacement aircraft as two P-51 Mustang fighter-bombers, whereas Pawley’s memoir, written long before PBSUCCESS records were declassified, stipu-

eral days to acquire that amount of money, but Pawley promptly called Riggs Bank in Washington, withdrew \$150,000 in cash from his personal account, stuffed it into an empty briefcase, and drove with the Nicaraguan envoy to the Pentagon. Officials there were startled by the unorthodox transaction, but they signed the contract transferring title of the aircraft to the Nicaraguan government that same afternoon.<sup>117</sup> “The planes landed at Panama [from Puerto Rico] that evening, were turned over to the Castillo Armas pilots, armed, and then flown into combat against the Communist positions at dawn,” Pawley recounted in his memoir. “Those three aircraft in the sure hands of eager pilots spelled the difference. Arbenz capitulated.”<sup>118</sup>

Several historians, including Piero Gleijeses most notably and forcefully, have taken issue with Pawley’s assertion about the significance of the additional aircraft. Gleijeses, in his widely praised 1991 history, claims that the rebels’ air force had little impact on the situation in the field and that in no sense was 22 June a historic moment when the fate of the operation hung in the balance.<sup>119</sup> Much of the evidence in the historical record supports this contention. Eisenhower in his memoir acknowledges that the air support provided to Castillo Armas was meager in military terms. Moreover, Eisenhower, in contrast to Pawley, does not draw a direct line of causality. The president notes only that “delivery of the planes was prompt and Castillo successfully resumed his progress.”<sup>120</sup>

But even if the 22 June resupply decision was of limited importance from a purely military standpoint, this does not mean it was inconsequential. On the contrary, if PBSUCCESS is viewed as primarily psychological rather than actual warfare, then restocking Armas’s tiny air force *was* absolutely vital.<sup>121</sup>

lates that the planes were F-47s. The official records corroborate Pawley’s recollection. See Cullather, *Secret History*, pp. 70–71, and “Memorandum for the Record, Subject: F-47 Aircraft,” 20 January 1955, in CIA Guatemala ERR.

117. According to Evan Thomas, Richard Bissell was part of the unorthodox transaction, though Bissell does not mention the episode in his memoir. See Thomas, *Very Best Men*, p. 120. That Pawley’s check writing did in fact occur is hinted at by Wise and Ross, who refer to “some interesting financial legerdemain” by Ambassador Sevilla-Sacasa. Wise and Ross, *Invisible Government*, p. 179. The legality of the arms transfer under the provisions of the Mutual Security Act then in force has not been established.

118. Pawley, *Russia Is Winning*, pp. 341–343.

119. Gleijeses, *Shattered Hope*, p. 340–342.

120. Eisenhower, *Mandate for Change*, p. 426.

121. As described in an illuminating 20 June 1954 memorandum to President Eisenhower, PBSUCCESS was intended mainly to create the *impression* of a substantial fighting force. An active air force was critical to propagation of this illusion. See “Memorandum for the President from K.W. McMahan, acting assistant director of Current Intelligence,” 20 June 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1174–1176. The vital role of airpower in psychological warfare against the Arbenz regime is also described in the NACLA report on *Guatemala*, pp. 51, 69–70; Bissell, *Reflections*, pp. 85–86; Thomas, *Very Best Men*, p. 113; and Andrew, *For the President’s Eyes Only*, p. 208.

The assistance to Castillo Armas, minuscule though it was, represented a powerful asset, a force majeure.<sup>122</sup> Ranking officers in the Guatemalan army recognized that Armas “could not have obtained these arms [aircraft] without U.S. acquiescence,” as Ambassador Peurifoy reported back to Washington on 27 June.<sup>123</sup> Ultimately, the realization that Washington might intervene directly if Castillo Armas failed was a strong and even decisive factor for the Guatemalan officer corps.<sup>124</sup> The aircraft helped give the Guatemalan army, which was always going to be the crucial element in the success or failure of PBSUCCESS, the excuse to capitulate to an invading force that was decidedly inferior in the field.<sup>125</sup>

President Eisenhower reasoned much the same way in his memoir, arguing that the importance of the resupplied aircraft was far out of proportion to their military utility. He recalled that although Castillo Armas’s “air superiority” was of the smallest possible margin, the mere fact that the Arbenz forces were on the receiving end of air power gave the Guatemalan army “an excuse to take action in their own hands.”<sup>126</sup> This, indeed, was the entire premise on which PBSUCCESS had been based. It is just as erroneous to dismiss the significance of the additional F-47s as it is to assign them full responsibility for the victory of PBSUCCESS. Pawley of course subscribed to this latter view, arguing that the three additional F-47s had turned the tide of battle.<sup>127</sup>

Pawley believed that the coup in Guatemala was an unmitigated triumph, with far more import for U.S. foreign policy than the 1953 operation in Iran. True to the Republican platform promises of 1952, Eisenhower had rebuffed a Communist encroachment, and even if it was not a pure case of rollback, it was close enough. The United States, in this depiction, had successfully blunted a Communist takeover in Guatemala. Or, as an over-

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122. “Telegram from the CIA Station in Guatemala to Operation PBSUCCESS Headquarters in Florida,” 24 June 1954, in *FRUS*, 1952–1954, Guatemala, p. 376.

123. “The Ambassador in Guatemala (Peurifoy) to the Department of State,” 27 June 1954, in *FRUS*, 1952–1954, Vol. IV, pp. 1189–1190.

124. To be sure, other cascading factors contributed to the army’s decision to force Arbenz’s resignation. Perhaps the most important was the Guatemalan president’s decision on 25 June to arm people’s organizations and political parties once it became apparent that the army was not putting up much resistance. Much like Arbenz’s decision to seek arms from the Soviet bloc, the action only hardened the will of his adversaries in the armed forces. Arbenz formally resigned on the evening of 27 June.

125. Gleijeses, *Shattered Hope*, pp. 341–342. See also “Telegram from the Central Intelligence Agency to the CIA Station in Guatemala,” 22 June 1954, in *FRUS*, 1952–1954, Guatemala, pp. 367–368.

126. Eisenhower, *Mandate for Change*, p. 426.

127. *Ibid.*; Gleijeses, *Shattered Hope*, p. 375; and Cullather, *Secret History*, pp. 75–76. Eisenhower’s 22 June decision has been contrasted sharply with John Kennedy’s choices during the Bay of Pigs invasion. For example, Dulles “remembered Eisenhower approving more planes just in time to salvage the faltering Guatemala coup. The CIA expected the same [decisive commitment] from President Kennedy.” See Thomas, *Very Best Men*, p. 247.

ebullient California congressman put it, for the first time in the Cold War “democratic [sic] forces . . . were able to overthrow a Communist government once it had been established in power.”<sup>128</sup> The CIA exuded a sense of triumph and omnipotence, but no one involved in the operation was more pleased, more certain that the United States had done the right thing, and more devoted to replicating PBSUCCESS as need be in the future than Pawley was.<sup>129</sup>

## The Doolittle Report

After the fall of “Red Jacobo,” Eisenhower asked Pawley, probably during a private meeting on 10 July 1954, to lead a review of the CIA’s conduct of covert activities.<sup>130</sup> A well-regarded history of the agency suggests that Eisenhower appointed this panel because he wanted to prevent Congress from conducting its own probe of the clandestine service, though contemporary news articles hinted at other reasons.<sup>131</sup> But according to Pawley, the idea for this secret report stemmed from the gaps in planning and coordination that became evident during PBSUCCESS, along with a troubling event that occurred just before Castillo Armas’s invasion.

As Pawley recounted the episode, sometime after he became involved in PBSUCCESS he was playing a game of tennis with Phil Graham, publisher of *The Washington Post*. As they rested, Graham, who knew of Pawley’s keen interest in Latin America, mentioned that Washington was planning to assist a Guatemalan colonel in overthrowing the Arbenz regime. Pawley expressed interest in hearing more, so Graham obliged. “I might as well have been listen-

128. House Select Committee on Communist Aggression, Subcommittee on Latin America, *Communist Aggression in Latin America: Hearings*, 83rd Cong., 2nd sess., 1954, pp. 2, 66–67, 70. The congressman was Patrick Hillings (R-CA). On the role of Congress during the crisis, see David Barrett, “Sterilizing a ‘Red Infection’: Congress, the CIA and Guatemala, 1954,” *Studies in Intelligence*, No. 10 (Winter–Spring 2001), pp. 23–31; and Holland, “Operation PBHISTORY,” pp. 212–218.

129. Pawley makes no mention in his memoir of attending an extraordinary session at the White House on 29 July 1954, when almost everyone from the CIA involved in PBSUCCESS received the president’s thanks. “Notification to Personnel on Meeting at 1600 Pennsylvania Avenue,” 29 July 1954, in CIA Guatemala ERR; and Phillips, *Night Watch*, p. 49–51. For a critique of the coup’s consequences for Guatemala, see Streeter, *Managing the Counterrevolution*.

130. The president’s published schedule listed a meeting with Pawley at 10:30 a.m. on 10 July. “The President’s Appointment List,” *The Washington Post*, 10 July 1954, p. 11.

131. Anne Karalekas, “History of the Central Intelligence Agency,” in U.S. Congress, Senate, Select Committee to Study Governmental Operations with Respect to Intelligence Activities, *Supplementary Detailed Staff Reports on Foreign and Military Intelligence: Final Report*, Book IV, 94th Cong., 2nd sess., Committee Print, pp. 52–53; and Hanson Baldwin, “Doolittle Heads Inquiry into CIA,” *The New York Times*, 14 October 1954, pp. 1, 3. The formal title of the Doolittle Committee was “Panel of Consultants on Covert Activities of the Central Intelligence Agency.” The press speculated about the reasons for setting up the panel—rumors about covert operations gone awry, damaging leaks, and defections—but none of the articles tied it to Operation PBSUCCESS.

ing to a TOP SECRET briefing at State,” Pawley later wrote.<sup>132</sup> Graham knew almost everything; the only thing missing from his account was Pawley’s own role in the preparations. Feigning nonchalance, Pawley questioned Graham until he finally revealed the name of his source. He was a high official in the CIA’s plans directorate, a man who had spoken too freely after a few sets of tennis.

Pawley surmised that President Eisenhower would be interested in the leak. According to Pawley, the breach of security (which, in truth, was only one among many) was a key factor in spurring Eisenhower to action. “Bill,” the president reportedly said, “I want you to conduct a thorough investigation of the covert side of CIA operations for me.” But Pawley declined the panel’s chairmanship, telling the President: “If I head such a committee, I might impair a valuable relationship with John [Foster] and Allen Dulles.”<sup>133</sup> Instead, Pawley agreed to serve as one of four members of what would become known as the Doolittle committee, after its chairman, the retired U.S. Air Force Lieutenant General James Doolittle.<sup>134</sup> Eisenhower met with Pawley and Doolittle on 13 July, and the panel was formally constituted on 26 July. Having been asked by the president to make recommendations “calculated to improve the conduct of these [covert] operations,” the panel conducted the most exhaustive inquiry theretofore undertaken into the CIA’s Plans Directorate.<sup>135</sup> Over an intense, ten-week period, the panel interviewed dozens of officials in the agency and other government departments and visited CIA stations abroad, probing into the most secret aspects of the agency’s clandestine activities.<sup>136</sup> The investigation corroborated what Pawley suspected after his involvement in PBSUCCESS: Even though Allen Dulles was an experienced and skilled intelligence practitioner, his administrative and organizational abilities left much to be desired. Dulles’s weaknesses magnified a vulnerability of the CIA:

132. Pawley, *Russia Is Winning*, p. 343–344. The acid description of the CIA’s Tracy Barnes in Helms, *A Look over My Shoulder*, pp. 176–177, suggests that Barnes may have been the tennis-playing culprit. See also Thomas, *Very Best Men*, p. 114.

133. Pawley, *Russia Is Winning*, pp. 343–344.

134. Pawley’s relationship with Doolittle went back decades. The retired lieutenant general had once been a test pilot for Pawley. See “William Pawley, Ex-Envoy to Brazil, Aviation Expert,” p. A31. Doolittle was also a friend of DD/P director Frank Wisner. The two other members of the committee were William Franke, a prominent New York accountant who was about to be nominated to a civilian position in the Navy Department, and Morris Hadley, the founding partner of a prominent Wall Street law firm who was an old friend of Allen Dulles. Franke would go on to become secretary of the Navy from 1959 to 1961. Hadley’s cooperation with CIA funding of non-governmental organizations was exposed during the 1967 *Ramparts* flap, when it was revealed that the Rubicon Foundation (of which Hadley was the treasurer) served as a secret conduit for CIA funds. Richard Harwood, “CIA Reported Ending Aid to Some Groups,” *The Washington Post*, 22 February 1967, p. A1.

135. “Report on the Covert Activities of the Central Intelligence Agency” (“Doolittle Report”), 30 September 1954, in National Archives II (NARA), CIA Records Electronic Search Tool (CREST).

136. Ranelagh, *The Agency*, p. 276; and “Doolittle Heads Inquiry into CIA,” p. 1.

that it had grown “like topsy, [and was a] sloppy organization.” There was a “complete lack of security consciousness,” and too much information was leaked at cocktail parties. Dulles’s staffing of the agency was also open to question.<sup>137</sup>

Dulles’s lax management and poor choice of personnel would not become public issues until the spring of 1961, after the Bay of Pigs debacle. The agency meanwhile basked in the perceived successes of Operations TPAJAX and PBSUCCESS, and the Doolittle report did nothing to diminish the confidence of the agency’s covert operators. The recommendations and final language of the top secret, 69-page Doolittle report functioned as “principally an affirmation of the need for a clandestine capability.”<sup>138</sup> No substantive changes in CIA management occurred.<sup>139</sup> The report, which mirrored Pawley’s views precisely, endorsed a *carte blanche* policy with respect to covert activities in rhetoric matched by few government documents generated during the Cold War:

It is now clear that we are facing an implacable enemy whose avowed objective is world domination by whatever means and at whatever cost. There are no rules in such a game. Hitherto acceptable norms of human conduct do not apply. If the United States is to survive, long-standing American concepts of “fair play” must be reconsidered. We must develop effective espionage and counterespionage services and must learn to subvert, sabotage and destroy our enemies by more clever, more sophisticated, and more effective methods than those used against us. It may become necessary that the American people be made acquainted with, understand and support this fundamentally repugnant philosophy.<sup>140</sup>

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137. “‘A Creditable Job’ Is Verdict on CIA,” *The New York Times*, 20 October 1954, p. 16. Although the report contains general references to administrative and organizational problems, more specific criticisms of Dulles’s management were delivered by Doolittle orally to the president when they met privately on 19 October to discuss the findings. See “President’s Meeting with Doolittle Committee,” 19 October 1954, in DDE Library, Ann Whitman Diary, Box 3, October 1954.

138. Karalekas, “History of the Central Intelligence Agency,” pp. 52–53.

139. *Ibid.* As Karalekas observed, the Doolittle committee’s recommendations were hardly surprising given the orientation and composition of the study group. All four members of the board were well known to the CIA and had affiliations with top officers in the clandestine service.

140. “Doolittle Report.” This document, together with the second Hoover Commission’s report, became the foundation for NSC directives 5412/1 and 5412/2, which instituted procedures governing the CIA’s clandestine activities. These directives remained in effect until 1970. Richard Best, “Proposals for Intelligence Reorganization, 1949–2004,” 29 July 2004, Congressional Research Service, U.S. Library of Congress, p. 12. See also (with caution) Prados, *President’s Secret Wars*, pp. 109–113. Interestingly, by the time the American public became acquainted with the CIA’s covert arm after the Bay of Pigs episode and during the 1967 *Ramparts* exposé (and also during the Church committee hearings in the mid–1970s), the reaction was markedly different from the one envisioned by the “Doolittle Report.”

After the Doolittle study was completed, Pawley remained a trusted counselor and emissary during the Eisenhower years whenever events in Latin America moved to the forefront of the Cold War. Although a thorough exposition of Pawley's post-1954 activities is beyond the scope of this article, it is worth noting that he continued to enjoy the trust and confidence of the president, the vice president, and other influential administration officials with respect to developments in the hemisphere. In the late 1950s, Pawley was Eisenhower's personal envoy in eleventh-hour efforts to obtain the resignations of dictators in Cuba (Fulgencio Batista) and the Dominican Republic (Rafael Trujillo), lest their continued rule lead to Communist takeovers. Both these extraordinary missions were amply documented in the pertinent *FRUS* volumes.<sup>141</sup> In 1961, after the Bay of Pigs failure, Eisenhower wrote to General Maxwell Taylor that he had "used [Pawley] frequently, as a private citizen, for chores of different kinds during the years of my two administrations."<sup>142</sup>

Despite Pawley's newfound allegiance to the Republican Party, he remained an influential supporter of conservative Democrats with anti-Communist credentials, notably George Smathers. For Smathers, Pawley, and Richard Nixon, partisan advantage did not get in the way of combating Communism in the hemisphere, although the three men were not averse to gaining a political edge. In May 1960, for example, Smathers contacted Nixon to tell him that Pawley was "the answer" to a State Department that was "soft on Communism." Smathers promised that if Pawley were nominated to a senior post in the Department "which would allow him to take a firm hand in our policy toward Latin America," the senator would guide the nomination through the Senate Foreign Relations Committee.<sup>143</sup> Smathers was referring to on-and-off discussions about appointing Pawley to a new post of undersecretary of state for the Western Hemisphere.

In 1960, Pawley supported Richard Nixon over Kennedy, raised funds for the Nixon campaign, and attended the Republican convention as a Florida delegate. Paralleling the role played by Senator Smathers as an adviser on Latin America in the Kennedy campaign, Pawley counseled Nixon on the growing problems "just south of Miami," meaning Cuba and the Dominican

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141. *FRUS*, 1958–1960, Vol. V; and *FRUS*, 1958–1960, Vol. VI. See also Paterson, *Contesting Castro*, ch. 18. In addition, Pawley testified about his Cuba mission before the Senate Internal Security Subcommittee in 1961 and discussed these efforts in some detail in his memoir.

142. Dwight Eisenhower to Maxwell Taylor, 26 June 1961, in DDE Library, Post-Presidential, Augusta-Walter Reed Series [April–June 1961].

143. "Memo re Phone Conversation with Senator Smathers," 27 May 1960, in NAPR, Nixon Pre-Presidential Material, Series 320, Box 582, Pawley Folder. Smathers also worked closely with Pawley on his mission to Trujillo. At the same time, Smathers is largely credited with fashioning John Kennedy's hard line on Cuba during the 1960 presidential campaign.

Republic. Nixon held a high opinion of Pawley's skills, especially his expertise "with respect to this area [Latin America] of such vital importance to our welfare and security."<sup>144</sup> The two men also shared a dim view of the State Department's foreign service officers, believing that these officers were overwhelmingly biased in favor of liberal Democrats at home and were soft on Communism and Communists overseas.

Most significantly, in 1960–1961 Pawley attempted a reprise of his PBSUCCESS role during Operation JMATE, the code name for what would become known to the world as the Bay of Pigs invasion. Pawley was deeply involved in the effort to depose Castro via a force trained and armed by the CIA.<sup>145</sup> Pawley communicated with agency officers on a daily basis and occasionally attended meetings at the White House with the president and secretary of defense to review the covert plans.<sup>146</sup> When the presidency changed hands in January 1961 to the candidate not favored by Pawley, he continued to volunteer his services so long as he believed President Kennedy was doing the right thing, which for Pawley meant a counterrevolution in Cuba. The new administration responded positively to his overtures. During a telephone conversation with George Smathers on 24 January, just four days after Kennedy's inauguration, Allen Dulles assured the senator that "he [Dulles] was working closely with Ambassador Pawley" on the Cuban matter.<sup>147</sup> This statement was welcome at the time insofar as relying on the same personnel involved in PBSUCCESS seemingly increased the odds of a similar outcome in Cuba.

Pawley was distraught after the April 1961 debacle and attributed the defeat entirely to President Kennedy's loss of nerve, which Pawley contrasted

144. Richard Nixon to Arthur Gardner, 17 March 1959, in NAPR, Nixon Pre-Presidential Material, Series 320, Box 582, Pawley Folder.

145. At a time when the State Department was still temporizing, Pawley had vehemently lobbied the White House, State Department, and CIA against ever allowing Castro to come to power. Letter from William Pawley to Richard Nixon, 15 April 1963, in NAPR, Nixon Pre-Presidential Material, Series 320, Box 582, Pawley Folder.

146. Letter from William Pawley to Richard Nixon, 18 July 1960. Because Pawley favored the more conservative elements of the anti-Castro forces that were being organized, he was frequently at odds with the CIA during this period. He made his views known to Nixon, putting the vice president in an awkward position because Pawley, who hoped to be appointed assistant secretary of state for Latin American affairs if Nixon won, was a major contributor to the Republican Party in 1960. J.C. King and Nixon's national security aide, General Robert Cushman Jr., had to confer more than once about how to "handle" Pawley. See Jack Pfeiffer to Fawn Brodie, 1 March 1978, in NARA, CREST. See also "Part VI: Mr. Nixon's Role," in Official [CIA] History of the Bay of Pigs Operation, Volume 3: Evolution of CIA's Anti-Castro Policies, 1951-January 1961, John F. Kennedy Assassination Records Collection, RG 263, Miscellaneous CIA Series, Box 1, JFK-MO-01 (F6); and Howard Hunt, *Give Us This Day* (New Rochelle, NY: Arlington House, 1973), pp. 28–29, 40, 43.

147. "Memo of Telephone Conversation between Allen Dulles and George Smathers," 24 January 1961, in NARA, CREST.

with Eisenhower's resolve in ostensibly similar circumstances. "The unthinkable happened," Pawley wrote in his unpublished memoir. "An American president ran out on our nation's responsibility, abandoning our trusting wards to death on the beaches, and to capture, torture, and/or firing squads."<sup>148</sup> A subsequent meeting between Pawley and Kennedy on 9 May, arranged at Eisenhower's urging, marked an abrupt end to Pawley's authorized contributions to U.S. foreign policy. When Kennedy asked Pawley what he would do now, he advocated dropping ten thousand Marines in the environs of Havana. The meeting, for all practical purposes, was over at that point, and thus ended Pawley's privileged access to the White House.

From that point on, Pawley carried out his war against Communism in Latin America mostly privately, although he continued to make his services available to the JMWAVE station chief. As the former chief of station Theodore Shackley described the relationship in a periodic report to CIA headquarters, Pawley, "as a well informed businessman with excellent connections in the Miami community, has been used as a special contact for the conduct of certain background data, operational intelligence, and the conduct of operational support tasks."<sup>149</sup> Pawley's most notable efforts, however, were largely self-initiated. He carried out a "one-man P[olitical] W[arfare] campaign" against the Kennedy administration and its policies relative to Cuba and the Caribbean.<sup>150</sup> In July 1962, at a personal cost of \$175,000, he ransomed back three Bay of Pigs captives. He felt particularly responsible for the fate of the three, whom he had personally recruited for the operation. This release occurred five months before Washington's own repatriation and ransom effort bore fruit.

In collaboration with another wealthy former ambassador, Clare Boothe Luce, Pawley arranged what he hoped would be "another Flying Tiger," except that this time the force was to consist entirely of surrogates. Luce and Pawley underwrote a Cuban exile group known as the *Directorio Revolucionario Estudiantil* (Student Revolutionary Directorate, or DRE) so that its members could carry out raids and gather intelligence. There is ample reason to believe that Pawley's subsidies to the DRE produced the information that ultimately emboldened Senator Kenneth Keating to allege that Soviet missiles

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148. Pawley, *Russia Is Winning*, pp. 426–427.

149. "JMWAVE's Relationship with Pawley," 25 July 1963, in NARA, RG 541, John F. Kennedy Assassination Records Collection, Assassination Records Review Board, Series 4, Box 7, Pawley File. More specifically, Pawley helped assess and recruit agents, provided Shackley with background information on leading Cuban political personalities, and occasionally assisted the station chief in establishing covers for dummy corporations and CIA proprietaries.

150. *Ibid.*

were in Cuba well before the Kennedy administration confirmed their presence.<sup>151</sup> Subsequently, when the October 1962 crisis ended with Castro still in place, an outraged Pawley launched his most brazen effort to influence official policy, albeit with the knowledge of the CIA station in Miami. In 1963 he underwrote a covert operation aimed at “rescuing” two Soviet technicians in Cuba who were allegedly prepared to defect and testify that Moscow was violating its pledge to remove all offensive missiles from the island.<sup>152</sup> The mission was an abject failure and marked, as far as is known, the end of Pawley’s freelance clandestine activities.

## Conclusion

William Pawley understood why President Eisenhower kept the ex-ambassador’s role in “strangling a Red dictatorship” under wraps.<sup>153</sup> A mention of Pawley’s advisory role in the overt diplomatic and political aspects of the 1954 crisis might have inhibited Eisenhower’s ability to call on Pawley again, something the president had every intention of doing—and indeed did. The situation was all the more volatile because of widespread allegations (and the equally widespread perception) that UFCO largely dictated Washington’s policy toward Guatemala. Complete discretion remained advisable almost a decade after the coup. When the first volume of Eisenhower’s White House memoir was published in 1963, the former president privately explained to

151. Holland, “Luce Connection.”

152. *Ibid.*, pp. 164–165; Don Bohning, “Disastrous Mission: Miamian Pawley Tells of ‘63 Cuba Operation, Loss of 10 Exiles,” *The Miami Herald*, 8 January 1976, p. 3; Miguel Acocha and Robert Brown, “The Bayo-Pawley Affair: A Plot to Destroy JFK and Invade Cuba,” *Soldier of Fortune*, Vol. 1, No. 2 (Spring 1976), pp. 12–22, 60–61; and “JMWAVE’s Relationship with Pawley,” 25 July 1963.

153. Although the U.S. role in the 1954 coup was one of the worst-kept diplomatic secrets in Washington, the official position was that Washington had merely quarantined the Arbenz regime and that the Guatemalan people had risen up independently and spontaneously to throw him out. The first time the U.S. government role was discussed more candidly was during the 1960 election campaign, when Senator Thruston Morton (R-Kentucky), the former assistant secretary of state for congressional relations, mentioned it. But because Morton made his remarks in Kentucky, they did not gain widespread attention. In September 1960 testimony before the Senate Internal Security Subcommittee, Pawley alluded to his involvement with the “Guatemala problem” in the résumé he submitted. Later, in July 1961, during the same set of hearings, Whiting Willauer, ambassador to Honduras during PBSUCCESS, talked openly about CIA support of Castillo Armas’s coup. Subsequently, during a February 1963 Republican fund-raising dinner in Baltimore, Senator Morton spoke freely about President Eisenhower’s approval of the plan to topple Arbenz. In mid-1963, Eisenhower’s newly published memoir revealed more details, but nothing about the degree to which the coup had been engineered by the CIA. See Senate Subcommittee, *Communist Threat*, pp. 712, 865–866; Wood, *Good Neighbor Policy*, p. 187; Wise and Ross, *Invisible Government*, p. 167; Horowitz, *Free World Colossus*, p. 164; Max Gordon, “U.S. Subversion in Guatemala, 1954,” *Science & Society*, Vol. 35, No. 2 (Summer 1971), pp. 129–155; and Immerman, *CIA in Guatemala*, pp. 177–180.

Pawley that “he had deliberately omitted [Pawley’s] name [from the 22 June Oval Office meeting] because he felt that the practice of mentioning people who held no official position in affairs of this sort could have undesirable repercussions.”<sup>154</sup> Disclosure would have added fuel to Communist propaganda that U.S. policy toward Latin America was dictated primarily by capitalist business interests.

Fleshing out the historical record is reason enough to delineate Pawley’s role in the Guatemala coup. Whether Operation PBSUCCESS would have unfolded as it did without Pawley’s involvement misses the point. At a minimum, the rebels’ air force would not have been resupplied so expeditiously without Pawley’s extraordinary private underwriting of the arms transfer. But the story of his participation in PBSUCCESS and the closely related “Doolittle Report” is not solely about retrieving lost history. Nor is it merely a reminder of the continuing need to integrate the intelligence dimension of key events with previous, standard accounts as highly classified records become available. Rather, Pawley’s career demonstrates that the Cold War involved a mobilization of resources on both sides no less vast than what occurred during the world wars.<sup>155</sup> The Cold War has long been considered an all-consuming conflict, but the nature of the standoff has not been systematically scrutinized.<sup>156</sup> Though often fought by proxy or in the shadows at a gla-

154. Pawley, *Russia Is Winning*, p. 341. The closest Eisenhower came to revealing Pawley’s participation was during a 10 June 1963 speech in Washington. The former president was publicizing the first volume of his memoir at an American Booksellers Association convention. He recalled that “different people, including Mr. Dulles and a member of the State Department [Henry Holland] and so on, came into my office to give their differing views.” Wise and Ross, *Invisible Government*, p. 167; emphasis added.

155. In the Communist bloc, with its command economies, the Cold War mobilization obviously differed from that of the West. Even within the West, arrangements varied.

156. In part, this lacuna is undoubtedly a function of the relative availability of government documents versus the sometimes formidable obstacles to research on private businesses, law firms, universities, labor unions, grant-making foundations, and the media. Integrating this private information with the depiction of events in official records is a daunting task. Nonetheless, the body of literature on private actors is interesting and growing. See, for example (in chronological order), Ronald Radosh, *American Labor and United States Foreign Policy* (New York: Random House, 1969); James Aronson, *The Press and the Cold War* (Indianapolis, IN: Bobbs-Merrill, 1970); Edward Berman, *The Influence of the Carnegie, Ford, and Rockefeller Foundations on American Foreign Policy: The Ideology of Philanthropy* (Albany: State University of New York Press, 1983); Robert Schulzinger, *The Wise Men of Foreign Affairs: The History of the Council on Foreign Relations* (New York: Columbia University Press, 1984); Nancy Lisagor and Frank Lipsius, *A Law unto Itself: The Untold Story of the Law Firm Sullivan & Cromwell* (New York: William Morrow, 1988); Peter Coleman, *The Liberal Conspiracy: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe* (New York: The Free Press, 1989); Ronald Filippelli, *American Labor and Postwar Italy, 1943–1953: A Study of Cold War Politics* (Stanford, CA: Stanford University Press, 1989); Michael Wala, *The Council on Foreign Relations and American Foreign Policy in the Early Cold War* (Providence, RI: Berghahn Books, 1994); Ted Morgan, *A Covert Life: Jay Lovestone, Communist, Anti-Communist, and Spymaster* (New York: Random House, 1999); Frances Stonor Saunders, *The Cultural Cold War: The CIA and the World of Arts and Letters*

cial pace, the Cold War, no less than the hot wars of the twentieth century, shaped non-governmental actors in the United States and in turn was shaped by them. Put another way, the Cold War suffused every level of American civil society in addition to being the dominant motif inside the government for half a century.

With respect to the United States, a country in which private activities and actors are invariably given the widest berth, the nature of this mobilization has been dubbed the “state-private network,” chiefly by scholars from the United Kingdom who specialize in American studies.<sup>157</sup> Regardless of whether this term proves durable, Pawley’s role in the Guatemalan coup lends credence to the notion that the Cold War as prosecuted by the United States cannot be understood without reference to the supporting roles played by businesses, foundations, labor unions, law firms, universities, the media, and influential private citizens.<sup>158</sup> Via informal or unofficial channels, these actors occasionally informed key decisions or were important cogs in their implementation. Not everything of import originated with elected or career officials in Washington. Events could be influenced by unusually energetic members of the private sector such as Pawley.

The myriad ways in which policy was (and is) formed, influenced, and implemented in the American state/private network was further illustrated by the Iran-contra scandal some three decades later. That debacle nearly sparked a constitutional crisis when journalists and congressional investigators revealed that the Reagan administration had secretly raised money from foreign governments, foreign foundations, and private American citizens to underwrite activities that the Congress had refused to finance. It is worth noting, too, that because the United States now faces a geopolitical challenge in the form of Islamist terrorism, some have suggested that the CIA or some other

(New York: The New Press, 1999); Volker Berghahn, *America and the Intellectual Cold Wars in Europe: Shepard Stone between Philanthropy, Academy, and Diplomacy* (Princeton, NJ: Princeton University Press, 2001); Ron Robin, *The Making of the Cold War Enemy: Culture and Politics in the Military-Intellectual Complex* (Princeton, NJ: Princeton University Press, 2001); and Giles Scott-Smith and Hans Krabbendam, eds., “The Cultural Cold War in Western Europe, 1945–1960,” Special Issue, *Intelligence and National Security*, Vol. 18, No. 2 (Summer 2003). For a review essay that evaluates several recent works on higher education during the Cold War, see David Engerman, “Rethinking Cold War Universities: Some Recent Histories,” *Journal of Cold War Studies*, Vol. 5, No. 3 (Summer 2003), pp. 80–95.

157. See the call for papers, “The American State-Private Network in the Cold War,” 27–28 June 2003, University of Birmingham. Much of the impetus for this reconsideration has come from scholars studying the role of intellectuals and other cultural aspects of the Cold War. See, for example, W. Scott Lucas, “Beyond Freedom, Beyond Control: Approaches to Culture and the State-Private Network in the Cold War,” *Intelligence and National Security*, Vol. 18, No. 2 (Summer 2003), pp. 53–72.

158. One-time presidential candidate and multi-millionaire businessman H. Ross Perot is a latter-day example of a Pawley-like figure. Perot not only has carried out private policy initiatives in Southeast Asia and the Middle East, but also shares some of Pawley’s unusual personal qualities.

U.S. government entity ought to support desirable educational activities via private entities.<sup>159</sup> This very practice is what resulted in one of the biggest flaps in the agency's history in 1967 and is precisely the impulse that has given one of the strongest boosts to the "state-private network" concept.<sup>160</sup> Further research on this aspect of U.S. foreign policy promises to be one of the richest areas in the years ahead for the study of the Cold War.

## Note

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159. Walter Pincus, "Idea of Influencing Schools Echoes '50s," *The Washington Post*, 1 November 2003, p. A3.

160. For a concise description of the 1967 controversy, see Michael Warner, "Sophisticated Spies: CIA's Links to Liberal Anti-Communists, 1949–1967," *International Journal of Intelligence and Counterintelligence*, Vol. 9, No. 4, (Winter 1996/1997), pp. 101–119.