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19 December 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Manolo RAY

1. On 18 December 1964 the undersigned lunched with RAY at the Hotel Ambassador and briefed him on the highlights of contact made with Mr. Crimmins at State on the afternoon of the 17th of December.

2. RAY is crushed over the fate of his plans to export his arms to Costa Rica. I told him our Ambassador had received a negative reply from the Costa Rican Government as end user about 28 November. RAY pointed out that this must have been the second or even third visit paid by our Ambassador to Costa Rican authorities on this matter and he stated he believes these multiple comings and goings must have given the Costa Ricans the impression the U.S. is against the shipment. I told him apparently Oduber got out of touch with current thinking in Costa Rica, but RAY believes there were just too many visits on the matter. The part about internal political considerations in Costa Rica did not seem to impress RAY much.

3. Per discussion with Mr. Crimmins, I then raised the possibility of arranging another end user who would have more guts. RAY said he would look into it but that there was really no point in even beginning discussions in an informal way, if subsequently the U.S. Ambassador was going to queer the deals by either his attitude or his statements to the next potential end user. RAY asked if we could give him some assurances that in the event he lines up another end user and in the event our Ambassador in such a country is sent to check it out, we could not have the Ambassador instructed to say something along the following lines:

"The U.S. is benevolently neutral towards RAY. If you wish to act as the end user, we would sympathize with your decision, but we are not asking you to accept the shipment nor act on our behalf."

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
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1	Mr. Marellus		ky
2	Mr. Anderson	24/12	GA
3	Mr. Marellus	24/12	JB
4	[Mr. Flinn] OS	24/12	
5	[P. J. ...] (for OS) (imp. ...)		4/11
6			
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Remarks:			
<p>There are three questions that RAY wants answered. Should I endeavor to answer them, if so, how?</p> <p>2-3. On 23 Dec I asked Crimmins for what the Bill of Lading must show. He never called back. I think Rod ought to phone Ray in Puerto Rico and tell him this, if Crimmins does answer.</p>			
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Mr. Anderson WH/SA/SO/CA		7264	12/2
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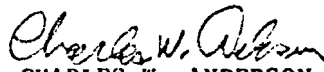
the question is going to be more academic than real. I told RAY that our people felt he would have a better chance of surviving if he waits another three to six months for his attempt, and this seemed to cheer him up, but he says his plans have been progressing very well the past two to three months, and I can see he has been keying himself up to the action.

8. RAY will be at home in Puerto Rico (he hopes) by Monday night, 21 December. I am to call him at 767-6138, his home, if anything is doing. An alternate contact would be Raul Chibas in New York.

9. I made one small proposal of my own, namely that RAY try to see if he might not be able to persuade the Costa Rican Government to accept a lesser number of arms as end user. He did not think much of this idea.

10. The attached torn page from U.S. News and World Report was given by me to RAY to serve as a bona fides in the event I have to send someone to him whom he does not know.

11. RAY stayed last night with Felipe Pazos, formerly of the Banco Nacional de Cuba, now employed by the OAS.


CHARLES W. ANDERSON
WII/SA/SO/CA

Attachment:
Bona fides in envelope

I told RAY I would try to get an answer to this and hoped if I did it would stick.

4. RAY then wanted to know what markings are absolutely minimum for the weapons and bills of sale. I told him I'd look into this and try to get him an answer, pointing out to him the troubles in the present marking system. He told me the word "Model" does not actually appear on the weapons, nor does the word "serial," which somewhat improves the situation. I told him not to do anything with the markings now on the weapons without further word from us, because he might do even more harm than heretofore. He says he can eliminate the tree and JURE, which are on the trigger guards. He does not seem to know exactly what markings are on just how many pieces of equipment, but he thinks at least some were put on a couple of weeks ago. I am surprised at his vagueness on this point.

5. RAY finally asked the following questions designed to shed light on just how confidential the export of arms is kept in the U.S.:

How confidential is the export permit? Who has to know about it? Is it ever publicized? Does it have to be publicized? What security rules govern this matter with respect to other U.S. agencies involved, such as Customs?

I told him I would try to find out about this, but indicated my belief that when several departments in at least two governments are involved, secrecy cannot well be guaranteed, especially when the arms firm involved (Erquiaga) has been having some legal troubles and is being watched.

6. RAY still thinks it would be better not to have the correct serial numbers show on the B/L and asked if there would not be some way to control just one inspector who would merely check the amounts, not the markings, on the shipment. RAY would give us an honest run-out of the numbers. I told him there was no possibility of running an operation against another U.S. Government agency.

7. The conversation was so unsatisfactory that I did not raise the limitations posed by Mr. Crimmins on RAY's radio commo. This can wait until later, as right now it appears



News YC

IN YOUR PERS

To enable taxpayers to get an early start under changes in the rules made by the 1964 Service has come out early with its annual

TAX-LAW CHANGES. In reading the guide with your tax forms near the end of the year, attention to these 10 important changes in

1. Sick-pay rules are tightened up so that 30-day waiting period before sick pay can be
2. Casualty losses can be deducted only
3. Deductions no longer are allowed for tags, driver's licenses, cigarettes and liquor
4. Gain on sale of a home by a taxpayer \$20,000 of the sale price, and the tax is re
5. Deductions for medicines and drugs on full cost--not just amounts in excess of
6. The tax credit on dividends is reduced but the exclusion on dividends is raised to
7. Moving expenses in connection with a move is to take a job with a new employer.
8. Deductions for child care by a worker and the limitation on income in the case of
9. The retirement-income credit is made where the wife is not entitled to credit on
10. A minimum standard deduction of \$200 exemption is allowed, even when it is more than

Guide. Instructions with your tax forms cover changes only briefly. Your return will benefit from the benefit of a tax guide such as the one with greater detail than the instruction book. Buy a guide for 50 cents from the Superintendent of Documents, Washington, D.C. 20402. Be sure to order by title. *Y

MORTGAGES. Latest national average: 10.5% for mortgages--not backed by the Government--

Men for the issue of December 7, 1964. Volume LVII--N
NEWS & WORLD REPORT

charges, 0.57 per cent; length of
per cent. The averages were compiled by
a nationwide survey of lenders.

Americans have diabetes, and more than half
estimate of the U.S. Public Health Service.
five times as often among blood relatives of
if you have a diabetic in your family, the
physician give you a blood test for diabetes.

on the Treasury Department to holders of
large these bonds for H bonds without paying
cost, you must do so within six months after
bonds began maturing last May. This
F bonds, last of which matured in April.

ing to buy a Christmas tree, so experts of
tips on how to be sure you get a fresh one
ers through the foliage to see if it feels
needles fall, and tap the butt on the
you get the tree home, saw the butt
of water, and sprinkle the foliage daily.

latest count, 78 colleges now offer
able students to alternate between jobs and
their expenses. The National Commission for
that 35,000 co-op students will earn 70
average of \$2,000 each.
ages with co-operative programs by sending
pe to: National Commission for Cooperative
w York, N.Y., 10018. With this list a
to the colleges for details.

Understandings about a new law that raises
by 1, the Veterans Administration makes
cost for those with low incomes and smallest
incomes. 2. The increases do not apply to
prior to July 1, 1960, and do not apply to
went into effect at that time.

ortation for your maid, so you have to
which you pay Social Security taxes for her?
commuter ticket, or call for her and take her
r cash to pay her fare or to buy gas and
used in accounts on which you pay tax.

and in arranging home-planting equipment for
ation can be obtained by sending a card
nt of Agriculture, Washington, D.C.,
Equipment and the Job # 16-101.