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DIRECTOR
EMANTHEM

CHRONO DETACHED

8 DEC 66 INS 4965

1515 1. ACCORDING **EMANTHEM-3**, DURING AFTERNOON OF 3 DEC, ONE I. IRVING DAVIDSON, U.S. CITIZEN AND CONTACT OF BALAGUER WHEN LATTER IN EXILE IN NEW YORK CITY, VISITED BALAGUER AT PALACE. DAVIDSON, WHO HAD REPRESENTED HIMSELF AS STATE DEPT. REP DURING NEW YORK CONTACTS WITH BALAGUER, NOW INDICATED HE REPRESENTING ARNCO CORPORATION OF WASHINGTON D.C. DAVIDSON ADDED, HOWEVER, HE STILL HAD VERY CLOSE CONTACT WITH STATE, WITH FBI CHIEF J. EARL HOOVER, AND EVEN SOME ACCESS TO PRESIDENT JOHNSON. DAVIDSON SAID PURPOSE OF HIS VISIT WAS TO OFFER BALAGUER DEAL WHEREBY ARNCO WOULD BUY ALL ARMS PICKED UP BY NATION POLICE AND ARMED FORCES, ALL OBSOLETE ARMS PRESENTLY IN POSSESSITN OF ARMED FORCES, AND REPLACE THEM WITH MODERN WEAPONS AT VERY LITTLE EXTRA COST TO BALAGUER. BALAGUER DELIGHTED WITH IDEA AND WOULD LIKE DOCUMENTED PROPOSAL TO MOVE AHEAD WITH DEAL. DAVIDSON ALSO SAID HE BROUGHT PRESIDENT JOHNSON'S PERSONAL GREETINGS TO BALAGUER AND THAT PRESIDENT JOHNSON HAD SAID HE WOULD SUPPORT BALAGUER EVEN IF HE NEEDED TO TAKE ACTION AGAINST U.S. PRIVATE INTERESTS AS LONG AS IT

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WOULD TRULY BENEFIT DOMINICAN PEOPLE. DAVIDSON ADDED THAT HE KNEW FOR FACT THAT PRESIDENT JOHNSON WORRIES 98 PERCENT OF TIME ABOUT VIET-NAM AND OTHER 2 PERCENT OF TIME ABOUT LATIN AMERICA WITH DOMINICAN REPUBLIC TAKING UP MOST OF THAT 2 PERCENT. FINALLY, DAVIDSON TOLD BALAGUER THAT U. S. GOVT. HAD DECIDED DUVALIER HAD TO GO AND THAT DUVALIER EXPECTED TO TAKE TRIP TO SWITZERLAND AND ENJOY HIMSELF (FOR GOOD) IN FEBRUARY OF 1967; AND, IF DUVALIER DID NOT LIVE UP TO THESE EXPECTATIONS, THEN U. S. GOVT. WILL TRY TO FIND WAYS TO DEPOSE HIM. WHEN DAVIDSON FOUND BALAGUER NOT TOO RECEPTIVE TO THIS IDEA (SINCE, ACCORDING EMANTHEM-3, BALAGUER WOULD LIKE DUVALIER TO STAY IN POWER FOR OBVIOUS REASONS), DAVIDSON TOLD BALAGUER THAT THIS WAS VERY SENSITIVE INFO AND HE EXPECTED BALAGUER TO TREAT IT AS SUCH. BALAGUER AGREED.

2. ALL FOREGOING FROM EMANTHEM-3 WHO PRESENT DURING CONVERSATION WITH DAVIDSON. EMANTHEM-3 SAID THAT BALAGUER WOULD KEEP HIS WORD NOT TO DISCUSS THIS WITH ANYONE, THEREFORE, THIS MOST SENSITIVE SINCE HE (EMANTHEM-3) ONLY OTHER PERSON PRIVY TO INFO. HE NOTED TO STATION THAT U. S. GOVT. SHOULD NOT EXPECT BALAGUER TO FEEL SYMPATHETIC TOWARDS ANY PLAN TO DEPOSE

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DUVALIER AND WE SHOULD NOT EXPECT ANY ASSISTANCE FROM HIM.

3. IN CASUAL CHECK WITH LOCAL LNERGO² ON DAVIDSON, THEY NOTED THAT HE REGISTERED AS FOREIGN AGENT WITH APPROPRIATE AUTHORITIES IN US., ENGAGED IN PUBLIC RELATIONS BUSINESS IN WASHINGTON^F ON BEHALF OF SEVERAL FOREIGN GOVERNMENTS (SEVERAL OF THEIR REPORTS MENTIONING HAITI SPECIFICALLY), VISITED BALAGUER IN MAY 1955 IN NEW YORK CITY, AND LEFT BALAGUER WITH IMPRESSION HE "IN WITH WHITE HOUSE". LOCAL LNERGO², HOWEVER, NOTED THAT THEY HAVE NO DEROGATORY INFO ON DAVIDSON.

~~██████████~~ 4. STATION NOT CERTAIN, BUT SEEMS TO RECALL SOME KIND OF WOFAC³ ASSOCIATION WITH ARMCO IN PAST. IN ANY EVENT, WE WOULD BE EXTREMELY INTERESTED IN ANY LIGHT HQS MIGHT SHED ON DAVIDSON AND ARMCO WITH RESPECT TO THIS MATTER IF FOR NO OTHER REASON THAN FACT BALAGUER APPARENTLY HAS RESPECT FOR HIS SUPPOSEDLY HIGH-LEVEL CONTACTS AND HE OBVIOUSLY GETTING INTO SOME FAIRLY SENSITIVE AREAS WITH BALAGUER.

5. DUE TO SENSITIVITY SOURCE, SUGGEST THIS NOT BE CHECKED OUT WITH LNERGO².

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BT