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FEDERAL BUREAU OF INVESTIGATION FOI/PA DELETED PAGE INFORMATION SHEET FOI/PA# 1211520-0 Total Deleted Page(s) = 126Page 3 ~ Referral/Direct; Page 4 ~ b1; b3; Page 5 ~ b1; b3; Page 6 ~ b1; b3; Page 7 ~ b1; b3; Page 7 ~ b1; b3; Page 8 ~ b1; b3; Page 9 ~ b1; b3; Page 10 ~ b1; b3; Page 11 ~ b1; b3; Page 12 ~ b1; b3; Page 13 ~ b1; b3; Page 13 ~ b1; b3; Page 14 ~ b1; b3; Page 15 ~ b1; b3; Page 16 ~ Referral/Direct; Page 17 ~ b1; b3; Page 18 ~ b1; b3; Page 18 ~ b1; b3; Page 20 ~ b1; b3; Page 21 ~ b1; b3; Page 21 ~ b1; b3; Page 22 ~ b1; b3; Page 23 ~ Referral/Direct; Page 24 ~ b1; b3; Page 26 ~ b1; b3; Page 27 ~ b1; b3; Page 28 ~ b1; b3; Page 29 ~ Duplicate; Page 30 ~ Duplicate; Page 32 ~ b3; Page 33 ~ b1; b3; Page 34 ~ Referral/Direct; Page 35 ~ Referral/Direct; Page 36 ~ Referral/Direct; Page 37 ~ b1; b3; Page 39 ~ b3; Page 40 ~ b3; Page 41 ~ b1; b3; Page 42 ~ Referral/Direct; Page 43 ~ b1; b3; Page 44 ~ Referral/Direct; Page 45 ~ b1; b3; Page 46 ~ b1; b3; Page 47 ~ b1; b3; Page 47 ~ b1; b3; Page 48 ~ Referral/Direct; Page 49 ~ b1; b3; Page 50 ~ b1; b3; Page 51 ~ b1; b3; Page 57 ~ Referral/Direct; Page 58 ~ b1; b3; Page 60 ~ b1; b3; Page 65 ~ Referral/Direct; Page 66 ~ b1; b3; Page $67 \sim b1; b3;$ Page 68 ~ Duplicate; Page 69 ~ Duplicate; Page 70 ~ b1; b3; Page 71 ~ b1; b3; Page 72 ~ b1; b3; Page 73 ~ b1; b3; Page 74 ~ b1; b3; b7D;

Page Page Page Page Page Page Page Page	<pre>75 ~ b1; b3; b7D; 76 ~ b3; b7D; 77 ~ b3; b7D; 78 ~ b1; b3; 79 ~ b1; b3; 80 ~ Duplicate; 81 ~ Duplicate; 82 ~ Duplicate; 83 ~ Duplicate; 84 ~ Referral/Consult; 85 ~ b1; b3; 86 ~ b1; b3; 87 ~ Duplicate; 88 ~ b1; b3; 94 ~ b1; b3; 95 ~ Referral/Direct; 97 ~ b1; b3; b7D; 99 ~ b1; b3; 100 ~ b1; b3; 103 ~ b1; b3; 107 ~ b1; b3; 108 ~ b1; b3; 109 ~ b1; b3; 109 ~ b1; b3;</pre>
Page Page Page Page Page Page Page Page	<pre>110 ~ b1; b3; 111 ~ b1; b3; 112 ~ b1; b3; 113 ~ b1; b3; 114 ~ b1; b3; 116 ~ Referral/Direct; 117 ~ b1; b3; 125 ~ Referral/Direct; 127 ~ b3; b7D; 135 ~ Referral/Consult; 136 ~ Referral/Consult; 138 ~ b1; b3; 139 ~ b1; b3; b7D; 140 ~ b3; b7D; 141 ~ b1; b3; b7D; 142 ~ b3; b7D; 143 ~ Referral/Direct; 152 ~ b1; b3;</pre>
Page Page Page Page Page Page Page Page	<pre>153 ~ b1; b3; 154 ~ b1; b3; 156 ~ b1; b3; 158 ~ Referral/Direct; 160 ~ Referral/Direct; 161 ~ b1; b3; 164 ~ b1; b3; 165 ~ b1; b3; 166 ~ b1; b3; 167 ~ b1; b3; 168 ~ b1; b3; 168 ~ b1; b3; 170 ~ b1; b3; 170 ~ b1; b3; 171 ~ b1; b3; 172 ~ Duplicate; 173 ~ Duplicate; 174 ~ Duplicate; 175 ~ b1; b3; 177 ~ b1; b3; 177 ~ b1; b3; 178 ~ b1; b3;</pre>
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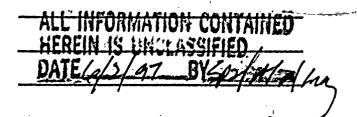
FEDERAL BUREAU OF INV

Room 5744 3/29

1947

TIGATION

Mr. Tolson any and Director **TO**: Mr. E. A. Tamm ... Mr. Edward Tamm Mr. Clegg Mr. Clegg Mr. Glavin Mr. Glavin Mr. Ladd Mr. Ladd Mr. Nichols _Mr. Nichols Mr. Rosen Mr. Tracy Mr. Rosen Mr. Carson Mr. Tracy Mr. Egan Mr. Harbo Mr. Gurnes Mr. Hendon Mr. Norbo amarco Mr. Jones Mr. Hendon. _Mr. Nease ". Pone lagton Miss Gandy Hi. O dan Tamm. Personnel Files Section ___Records Section Miss Gandy Mrs. Skillman, See Me For Appropriate Action Send File Note and Return



Clyde Tolson

STANDARD FORM NO. 64 ffice Memorandum • UNITED STATES GOVERNMENT D. M. Lade DATE: 4/3/47 TO E. G. Fitch FROM SUBJECT: endo enn f Duina advised Special Agent F. P. Griffee of the Liaison Section. 1165 Gend in strictest confidence that Referral/Consult b3 392 62-80750 FPG:AJB:OME RECORDED 37 APR 991947 OME ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED at BY Seventaling 58 APR 121947 1 DATE

STANDARD FORM NO. 64 Office Memorandum • UNITED STATES GOVERNMENT CONFIDENTIAL THE DIRECTOR TO DATE: 4-10-47 MR. D. M. LADD FROM E SUBJECT: T thought you ld be interested the attach (R b3 ų C.) A b3 -2065-W/ 9 <u>Ama</u> CLASSIFIED BY: Attachment 1 DECLASSIFY ON DML:ml ECORDED ALL INFORMATION CONTAINED HERE LI I JUNCLASSIFIED HERE LI I JUNCLASSIFIED EXCENT K E. Portuer # lo COPT FILED EXCENT (HEI DELERINISE RECORDED 396 ĉ INDEXED Ľ R APR 28 1947 18 CONFRACTAL S O MAY 1917

April 88, 1947

MENORANDUM FOR MR. TOLSON MR. TAMM MR. LADD

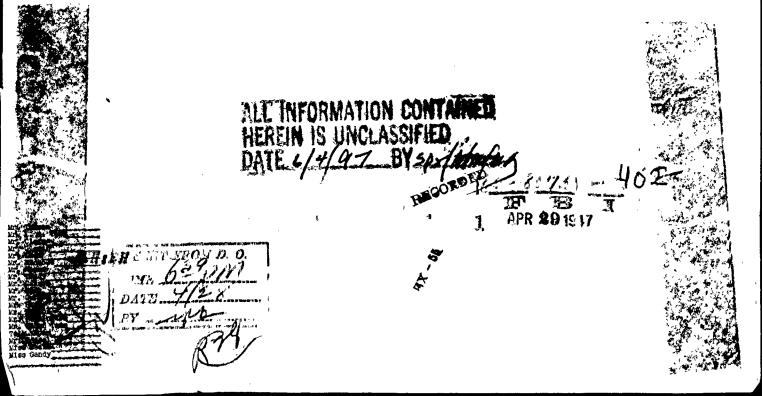
Today I saw General Vandenberg and Admiral Hillenkoetter who is succeeding General Vandenberg as Head of CIG. The call was entirely a courtesy call for General Vandenberg to Introduce Admiral Hillenkoetter. The General expressed appreciation of the cooperation and assistance which this Bureau has rendered the CIG and Admiral Hillenkoetter expressed a hope and desire that there would be a very close and cordial relationship.

General Vandenberg indicated he probably would still be assigned to Fashington.

Very truly yours.

3. C. H. 1 seren

John Edgar Hoover Director



DECLASSIFICATION AUTHORITY DERIVED FROM: FBI AUTOMATIC DECLASSIFICATION GUIDE DATE 03-05-2012 -CONFIDENTI **FB** COPY [D E C O D E D Mr. Neasd Miss Gandy FROM HAVANA [4-8-47] NR 86 5:43 PM EST VISITED THIS OFFICE FAPRIL HE ADVISED THAT HE HAD BEEN RECALLED WASHING b3 RECEIVED 5:57 PM EST MD LYFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEN WHERE SHOWN OTHERWIS 7.5) -COPDEL AR 12419477 g-lthutt 8X - 55 If the intelligence contained in the above message is to be disseminated tside the Bureau, it is suggested that it be suitably paraphrased in J order to protect the Bureau's cryptographic systems. 16 U MAY 191

ice Memorandum • UNITED STATES GOVERNMENT

DATE:

TUL INFORMATI

ENEL

4/17/47

TO D. M. IADD

E. G. Fitch FROM

SUBJECT:

JFD:rhr

CIMPLE

947

STANDARD FORM NO. 64

Rear Admiral Roscoe Henry Hillenkoetter [[]] S UNG New Director of CIG

Special Agent Doherty of the Liaison Section met Admiral Hillenkoetter this morning and obtained from him the information that at no time did he ever seek such an appointment as Director of CIG. Admiral Hillenkoetter stated that he was the Naval Attache in Paris and felt that he was doing a good job when on approximately larch 7, he received a dispatch from Admiral Nimitz, Chief of Naval Operations, ordering his return to the United States to become Director of CIG. Admiral Hillenkoetter stated that he was naturally very surprised to receive such a communication and immediately sat down and wrote a letter to Admiral Jeahy, whom he has known for a considerable period, explaining the reason why he should not be removed as Naval Attache in Paris. Admiral Hillenkoetter believed that he had some good informants and that probably his removal would effect the receipt of further information regarding Communist Party activities in France.

Admiral Hillenkoetter revealed that shortly after the letter was sent to Admiral Leahy, he received a dispatch from Leahy which stated in effect, "come back home, you damn fool." Admiral Hillenkoetter stated that when he received this he felt that he must return.

Sime his return he advised Agent Doherty that he has a desk in Ceneral Vandenberg's office and he is extremely busy in endeavoring to obtain all information about CIG he possibly can from General Wandenberg. It is to be noted that sime Admiral Hillenkoetter and General Vandenberg share the same office in CIG at the present time, Agent Doherty believed it would be more beneficial to talk to Admiral Hillenkoetter when not in the presence of General Vandenberg. As a result, knowing Captain Sabalot of ONI is extremely friendly with Admiral Hillenkoetter, the Captain was requested to inform Agent Doherty when Admiral Hillenkoetter would be present in Captain Sabalot's office. As a result of these arrangements, Captain Sabalot phoned Agent Doherty this morning advising that Admiral Hillenkoetter would be in Sabalot's office at 10:00 A.M. It was at this time that Agent Doherty met Admiral Hillenkoetter.

Admiral Hillenkoetter stated that he realizes his new duties will necessitate his working extremely hard in order to find out as quickly as possible the activities of all branches of CIG. At this point Special Agent Doherty inquired what his plans were relative to the physical setup of CIG and whether or not he intended to make any changes in personnel. To this Admiral Hillenkoetter stated that his time at the present is spent mostly in an endeavor to find out all he can about the operations of CIG. He also stated that at present he had no 2119-404 plans of changing the present setup. nS

Special Agent Doherty asked Admiral Hillenkoetter if he had been officially designated Director of CIG. The Admiral stated that a few days ago he had lunch with Admiral Leahy at which time Admiral Leahy brought him in to

Memorandum for Mr. Ladd

talk to President Truman. At this time the President asked Admiral Hillenkoetter when he felt he could take over as Director of CIG and at the same time suggested that he would appreciate the Admiral's taking over on May 1. Admiral Hillenkoetter said so long as the President suggested May 1, he felt that May 1, would be all right with him. So as it stands now, Admiral Hillenkoetter is to become Director of CIG on May 1.

4/17/47

Admiral Hillenkoetter during the course of conversation with Agent Doherty related that he had the highest respect and utnost regard for Mr. Hoover and was very anxious to talk with Mr. Hoover at the Director's convenience so that he might have the benefit of the Director's views prior to officially taking over as Director of CIG. Special Agent Doherty informed the Admiral that a contact would be made with Mr. Hoover's office for the purpose of arranging a meeting between him and the Director. The Admiral was informed that as soon as word was received he would be contacted and the appropriate details worked out. The Admiral also stated that he believed cooperation between FBI and CIG is absolutely necessary to carry out most effectively the responsibilities of CIG. Admiral Hillenkoetter was informed that Mr. Hoover has always been most anxicus to cooperate with other agencies and doubtless would do everything in his power to be of assistance to Admiral Hillenkoetter and CIG.

From the personal observations of Special Agent Doherty, Admiral Hillenkoetter appears to be a very pleasant and friendly individual and indicated nothing pompous in his make-up. He also appeared to be very frank in his statement that he knew nothing about CIG but would do everything possible to learn all about it in the shortest possible time.

It is believed that in the event Admiral Hillenkoetter's indoctrination is received from General Vandenberg only, there will be, quite likely, a necessity for clearing up false impressions about the FBI.

RECOMMENDATION

In the event it is possible for Mr. Hoover to see Admiral Hillenkoetter, it is requested that the Liaison Section be advised so that contact can be had with Admiral Hillenkoetter to determine if it would be possible for him to meet at the time suggested by the Director.

low the admiral & 28.47

BY SPECIAL MESSENGER

b3

b3

RECORDED 62-80 757 405 April 18, 1947

To:

le pa

Director, Contral Intelligence Group Room 2166, New War Department Building 21st and Virginia Avenue, N. W. Washington, D. C.

Attention:

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: Request for Clerical Manual from the Federal Bureau of Investigation

Reference is made to

The Chief Clerk Manual used by the Bureau is an adaptation of the regular Bureau Demestic Field Manual prepared for the assistance and instruction of our Agent personnel. From the latter are selected appropriate sections which pertain particularly to those matters of which the Chief Clerks in our Offices should be cognizant. The material in our Bureau Domestic Field Manual has always been held as confidential matter and this naturally applies to the Chief Clerk Manual.

I an sure, therefore, that you will appreciate cur position in this matter and I regret very much that under the circumstances we are unable to comply with request.

we are unable to comply with request. b3 9 1 894 A01,

STANDARD FORM NO. 64 Office Memorandum • UNITED STATES GOVER DATE: 5/1/4 DIRECTOR Ø C.I.G. FROM : CLYDE TOLSON Mr. Garres Mr. Lunta SUBJECT: Mr. Co. 50 Mr. Peterstin Mr. Billy Repaid, a news commentator, called to MI. Gabarte see me with <u>Mr. John Simpson on April 29. Mr. Repaid</u> Mr. Nerva stated that wants Miss (*) Iv to write some derogatory stories concerning CIG operations. I told Mr. Repaid that we could not help in this matter in any way. Не indicated that doubtless would take the matter up with b3 his Senator I hape he does. UN ر بر بر ر CT:DSS - HOT ALL INFORMATION CONTAINED INDEXED HEREIN IS UNCLASSIFIED 19 BYSEMAN DATE 6/1/97 60 MAY 19 1947, 70



SLC. Indianapolis - PERSONAL ATTENTION

April 28, 1947

Director, FBI

CREARL INTELLIGRACE SERVICE. INC. L. MARIA SICH CASCERING

408

RECORDED J. 6 Reference is made to the letter of April 21, 1947 from the Indianapolis ton to the Bureau and the Chicage Division wherein it was pointed out that an organisation known as the Central Intelligence Service, Inc., is fingerprinting truck drivers for various trucking organizations. It was indicated that a fee of fifty cents per person was being charged for this service. Reference lotter further stated that the captioned organization claimed that the fingerprints which were taken were being cleared through the Indiana State Police Identification Division.

It is suggested that the Indianapolis office bring the information which has been received concerning the activities of the Central Intelligence Service, Inc., to the attention of Major Robert A. O'Neal, Executive Officer of Indiana State ralice.

The Bureau does not desire to deviate from its present policy concerning C the handling of fingerprints of persons employed by private companies in connection with this mitter.

It is also not desired that the truchers in Indiana be again contacted rezerding the reasons which make it impossible for the Bureau to handle fingerprints of employees of tracking organizations. Questions in this regard, it is suggested. can be adequately handled when any individual inquiries are received from the carriere.

It is desired that each of your offices be alert for any further information occording the activities of the captioned organization.

oc Chicago

CONTRACT WARAUAILATIUNO SECTION MAILED 7 APR 20 1947 .P.M. 습 TH STREET WATION 1.01 31.09 BS IIIN

ALL INFORMATION CONTAINED HERCIN IS UNCLASSIFIED/ BYSPL

ice Memorandum • UNITED STATES GOVERNMENT

Director, FBI TO

80 BRM NO. 64

SUBJECT:

SAC, Indianapolis

CENTRAL INTELLIGENCE SERVICE. INC. INFORMATION CONCERNING

DATE: April 21, 1947

AIR MAIL SPECIAL

Mr. JAMES EXNICHOLAS, Secretary of the Indiana Motor Truck Association, has brought to our attention the existence of the above named organization which is active in fingerprinting truck drivers for various operators in this area. Mr. NICHOLAS states that to date, drivers for Viking, Ellis, Huber and Huber, C and D, and the Clemens Truck Companies have been fingerprinted by this organization at 50 cents per head or 50 cents per employee fingerprinted.

Mr. NICHOLAS advised that A., C. HODGERS, also known as RODGERS, Security officer for the Hayes Freight Lines, is President of the Central Intelligence Service Inc.; W. L. JESSUP, former identification officer for the Marion County, Sheriff's Office in Indianapolis, is Vice-President; and Mrs. W. L. JESSUP is Secretary-treasurer. So far as Mr. NICHOLAS knows, the only funds for the operation of this service is the 50 cents fee collected for each individual fingerprinted.

Mr. NICHOLAS, further, advised that he is somewhat skeptical of this organization in view of the fact that he understands that RODGERS was formerly the Provost Marshal at some military establishment in Arkansas and was removed from the Provost Marshal position because of some difficulties in which he was involved. In building up business for their organization, BODGERS and JESSUP claimed that they are obtaining two F.B.I. men as members of their staff. They, also, claim that the fingerprints are being cleared through the Indiana State Police Identification Division. Mr. NICHOLAS states 'that this organization has no approval or sanction of the Indiana Motor Truck Organization and that their operations are under consideration by the Central Motor Freight in Chicago for the purpose of determining whether this organization will be employed on a permanent basis.

JESSUP advised an agent of this office recently that the Central Intelligence Service, Inc. is being organized in nine states and that the office is presently maintained in his home at 1206 Beecher Street, in Indianapolis; that permanent offices will be established on April 24, 1947 in Chicago, as well as Indianapolis, where the identification division of the selection will be maintained. NDEXED

I understand that a meeting is to be held at Chicago on April 24, 1047, the results of which, will probably determin 78

ALT INFORMATION CONTA HEREIN IS UNCLASSIFIED

DATE 6-7-97 BYSENAM

Director, FBI

April 21, 1947

extent to which these Central Intelligence Services, Inc. will operate. No further details were received regarding this meeting.

A checkhas been made which fails to reflect that the Central Intelligence Service, Inc. has, in fact, been incorporated in the State of Indiana or has filed the necessary papers as a foreign corporation doing business in Indiana. A check of firm names and partnerships, registry of which is required by the Clerk of Marion County of Indianapolis, fails to reflect this organization to be of record.

Special Agent JOSEPH E. BROWAN of this office has been approached by A. C. RODGERS and offered a nosition with the Central Intelligence Service, Inc. Agent BROWAN advises me that he has no idea or intention of leaving the Bureau and accepting a position with this organization, at the present time. I also understand that Captain EDWARD D_ROULS, NA, Indianapolis Police Department, has also been approached by RODGERS.

These details are being furnished to the Bureau for its information. It is recommended that the truckers in this vicinity be again contacted and explained the reasons why the Bureau is unable to handle fingerprints of employees for those concerns. The suggestion is made, however, that the Bureau might wish to consider making an exception to the general rule concerning the handling of fingerprints of individuals of private companies so far as trucking companies are concerned in view of the Bureau's interest in theft from interstate shipment cases.

It is also recommended that contact be made with MAJOR ROBERT A. O'NEAL, Executive Officer of the Indiana State Police, in order that he might be informed of the 50 cents per head charge being made for fingerprints taken by the Central Intelligence Service, Inc. which are purportedly being cleared through the files of the Indiana State Police.

Before taking the action recommended, the Bureau's views in this regard are requested. A copy of this letter is being furnished to the Chicago Field Division in view of the reported meeting to be held there on April 24, 1947 through which the Central Intelligence Service, Inc. is apparently seeking to ally itself permanently with the trucking industry in the middlewest in order that the Chicago Office can furnish any information it may have received in this respect.

JBL:EAS 32–0

cc. Chicago

-) -A.C. Rodgers. 0t مر 35 -33 66 •** 1-6. 100-32 ALL-INFORMATION CONTAINED HEREIN-IS-UNCLASSIFIED DATE 4/10/11 BY SPJ Alogn





May 16, 1947

MEMO FOR MR. HOOVER TOLSON

11

TAMM, E. A. CLEGG CONNELLEY GLAVIN LADD NICHOLS ROSEN TRACY BAUGHMAN

CALLAHAN
CALLAN
CARLSON
CARROLL, J. F.
CARSON
CARTWRIGHT
CONRAD
COYNE
DOWNING
EDWARDS, H. L.
EGAN

MOHR MUMF NAUGI NEASI PARSO PENNI RENNI ROGEI SIZOO STRIO TAMM

MOHR MUMFORD NAUGHTEN NEASE PARSONS PENNINGTON RENNEBERGER ROGERS SIZOO STRICKLAND TAMM, Q. AND SUPERVISORS

DRIGINAL COPY FILED IN / / - /

RE: CHANGE OF ADDRESS

FITCH

HARBO

HINCE

JONES

KEAY

LONG

LAUGHLIN

LEONARD

MCCABE

MCGUIRE

GURNEA

This is to advise that the executive offices of the Central Intelligence Group have been transferred from the New War Department Building to the North Interior Building, located at 18th and F Streets, Northwest.

All routine mail should be addressed as follows:

Director Central Intelligence Group 2430 E Street, N. W. Washington, D. C.

Mail to be transmitted to Admiral Hillenkoetter should be addressed as follows:

Rear Admiral Roscoe H. Hillenkoetter Director Central Intelligence Group Room 7135 North Interior Building / 2 - 30752 18th and F Streets, N. WNOT RECORDED Washington, D. C. 46 MAY 21 1947.

ALL INFORMATION CONTAINED HEREIN IS, UNCLASSIFIED, /



Communications to be transmitted to General Wright, Deputy Director of CIG, should be addressed as follows:

Brigadier General E. K. Wright Deputy Director Central Intelligence Group Room 7131 North Interior Building 18th and F Streets, N. W. Washington, D. C.

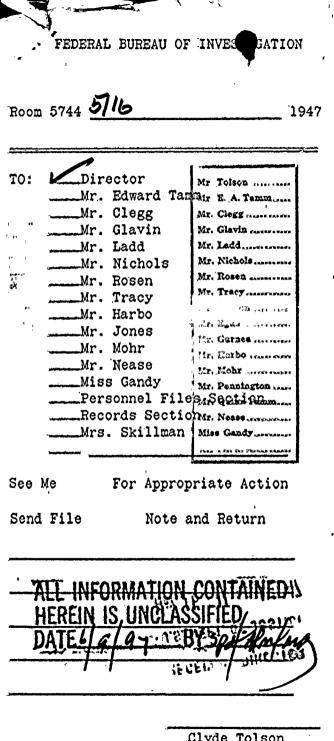
Very truly yours,

20

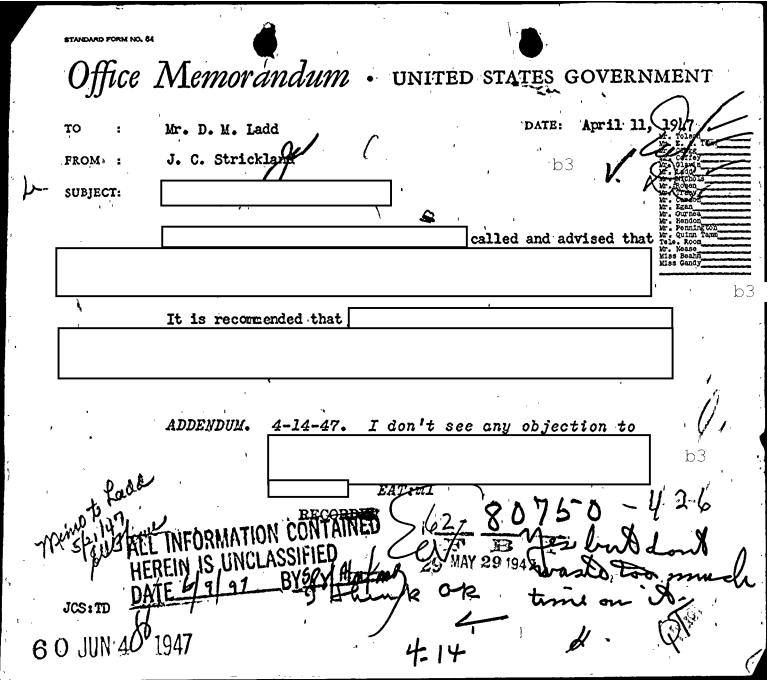
John Edgar Hoover Director

* STANDARD FORM NO. 64 Office Memorandum • UNITED STATES GOVERNMENT DATE: 5/12/47 τo D. N. LADD E. G. Fitch FROM SUBJECT: CENTRAL INTELLIGENCE GROUP This is to advise that executive offices: of CIG have been trans ferred from the New War Department Building to the North Interior Building, 18th and F Streets. Northwest. All routine mail should be addressed as follows: Director Central Intelligence Group 2430 E Street, N. V. Washington, D. C. Mail to be transmitted to Admiral Hillenkuotter chould be addres as follows: Rear Admiral Roscoe H. Hillenkoetter Director Central Intelligence Group Room 7135 North Interior Building 18th and F Streets, N. W. Washington, D. C. Communications to be transmitted to General Wright, Deputy Director of CIG, should be addressed as follows: Brigadier General E. K. Wright Deputy Director Central Intelligence Group Room 7131 North Interior Building 18th and F Streets, N. W. Washington, D. C. There is attached a memorandum to all Bureau Officials and Supervisors for your approval. Attachment JFD: AJB ALL INFORMATION CONTAIN 31 AY 24 14 HEREIN IS UNCLASSIFIED a

ANDARD FORM NO. 1 Office Memorandum • UNITED STATES GOVERNMENT Mr. Tolson May 15. TO DATE: L. B. Nichols FROM SUBJECT: While talking to Sumner Blossom, editor of American Magazine, on other matters he told me confidentially that he had been conducting an investigation of CIC and CIG and that he had come to the conclusion that something had to be done that he would not be a bit surprised if there was not a Congress investigation; that 'there are a lot of things occurring that smack of being unAmerican, and that he hoped that some time in the near future he could slip in and tell the Director what he has uncovered. him that I knew the Director would be glad to see him any time. in Washington that the Director was in and available. LBN: hb#HEREIN IS UNCLASSIFIED,



Clyde Tolson



STANDARD FORM NO. 64 Office Memorandum . UNITED STATES GOVERNMENT DATE: March 11, 1947 Mr. D. M. Ladd TO. FROM J. C. Strickl b3 °CIG. SUBJECT: b 1 🐇 Attached hereto for your information are b3 dr alan RECORDER 750-42'8X yor IND 15 Ju JCS:TD 60 JUN 23 19

CONTE TH BY SPECIAL MESSENGER May 15, 1947 Dates To: Director of Central Intelligence Made Room 144, South Building b3 2430 E Street, N. W. Washington, D. C. Attention: John Edgar Hoover - Director, Federal Bureau of Investigation From: **FUEL** 'n Subject: DEPT. à There is transmitted herewith Standard Form No. 1080 dated OF JUSTIL JIKELTOR May 5, 1947 b3 Elicoles (Enclosure NNAL GCC: FAN COMMUNICATIONS SECTION MAILED 12 6 di di MAY 19 1947 P.M. 1000 \$ 26 Trac Cars ERAL SUREAU KINVESTIGATION SEPARTMENT OF JUSTICE

EEDERAL BUREAU OF INVESTI TION 1947 The Direct's ords Section Tolson Mr. rsonnel Files Mr. Ladd end File Mr. Rosen ng file up-Mr. Clegg Date Mr. Glavin Search, serial-Mr. Nichole _Mr. Nichols ize, and route Mr. Ros Reading Room Mr. Tracy Mr. Tracy Mechanical Section Mr. Harbo Mr. Ce Mr. Mohr Bureau Supply Section Mr. Er Mr. Penning Room toncar Mr. Quinn 2.BM Harb Mr. Nease 1. **5** L Mr. Coyne ____Miss Gandy Tamm.Call me re this Mr. Carson Mr. Nee Note and return Miss Gandy ... · *** ***************** 11e Miss Gray Stamp and mail Miss Lyon Prepare tickler Miss Butcher Call these files ScelMe NFORMATION-CONTAIN A HEREIN IS UNCLASSIFIED B Edward A. Tamm 5734

May 28, 1947

Mr. Tolson

Mr. Clegg____ Mr. Glavin____ Mr. Ladd____ Mr. Nicholse Mr. Rosen___ Mr. Tracy___ Mr. Carson___ Mr. Egan___ Mr. Gurnea___ Mr. Harbo___

Mr. Hendon

Mr. Nease_

Miss Gandy

Mr. Pennington

Mr. Quinn Tamm_

Mr. E. A. Pamm

CO-247

D MEMORANDUM FOR MR. TOLSON a Tral chitel alla Mano

He had lunch with Constantine Brown called. the new Admiral in charge of CIG yesterday, who is in a hopeless state of confusion and Stated that 80 per cent of the people working for CIG should be fired and would be if he had somebody to replace them, that there is no training setup, that it would take him five years to develop his service if everything was favorable and he could pick out young men just graduating from college and offer them a career service. I told Brown that within 48 hours we were on our way to South America back in 1940. He said he understood this. He said the Admiral frankly confessed they are not doing the job, they do not have the information and do (not have a way to get it. Brown said he told him that in that event his organization should not have been so ambitious and wrecked the FBI setup and the G-2 setup. The Admiral skirted this point.

Brown said Assistant Secretary of State Spruille Braden read of the Nicaraguan revolution in the papers and immediately began inquiring for information. The Army had no information, nor did CIG, nor did the Ambassador. Braden is reputed to have blown up.

Brown stated he has come to the conclusion that Admiral Leahy has been hoodwinked. I remarked that I told him that a long time ago, and that the Admiral was pulling his leg. He stated that he is now forced to come to this conclusion. He is going to write a story on the whole subject.

ALL INFORMATION CO Respectfully, sigent is unclas a) do L.(B. Hichols BN:RC STUN THIS MEMORANDUM IS FOR ADVINISTRATIVE PURPOSES TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES

This Changing World

Managua Coup Took U.S. by Surprise; Lack of Organized Intelligence Blamed

By Constantine Brown

Neither the State Department nor the American Embassy in Managua knew in advance that Gen. Anastasio Somoza was planning to oust Leonardo Arguello,

succeeded who him 26 days earlier as President of Nicaragua.

The American Government was taken completely by surprise and when Assistant Secre-tary of State Spruille Braden made a phone call to Managua for more infor-



mation, after receiving the brief Constantine Brown. announcement of the coup d'etat, it was too late to do anything about it.

Surprise over developments in Nicaragua is of little immediate importance. But it illustrates once more the lack of a properly or-ganized intelligence-the eyes and ears of every government which has widespread foreign interests.

The blame cannot be laid entirely on the State Department and its representatives abroad. Until the fall of 1946 the FBI had officers in Latin America who, according to American diplomats in that area, did a remarkable job. They worked quietly and unobtrusively, keeping the embassies informed about developments in their respective areas.

of the Central Intelligence Group, which was created a few months South America, was compelled to earlier by executive order, he de-cided to take over the Latin Ameri-those concerned with tracking down can sector from the FBI.

Protests of No Avail.

Gen. Vandenberg, who was the re-spon ible head of the new organiza-is proceeding as amateurishly as it. Twanted control over all the before Pearl Harbor.

fareas in which he was supposed to operate.

Ader !!

At the same time Central Intelli gence insisted that the War Depart ment close down its political intellisence work in order, it was said to prevent overlapping.

CIG had no appropriations, since it was created by an executive order and not by act of Congress. In order to operate it had to borrow money from various Government departments and 'agencies. Under these conditions it is evident that it could not send into the field operatives of the same caliber as those employed formerly by other intelligence services, which had the experience and the time to develop which had the their men.

The result of this situation is that the United States, with political interests in every part of the world, is sadly lacking in information about developments abroad.

CIG on 'Shoestring.'

There are intelligence organiza tions in every key department of the Government. State, War and Navy each has its own, and the CIG also is operating, but on a shoe string since drastic curtailment of expenditures does not permit it to borrow money from other organizations.

War Department intelligence is strictly limited to information about foreign military forces, since it is no longer allowed to handle either secret or political intelligence. The same thing applies to the Navy which, however, in the past took only a perfunctory interest in anything but strategic matters.

However, soon after Lt. Gen. Hoyt S. Vandenberg succeeded Rear own and cannot now perform its Admiral Sidney W. Souers as chief expanded duties adequately. The FBI, which did a splendid job in criminals in conjunction with local authorities.

The international sky is covered Every American Ambassador in with dark clouds and every govern-Latin America cabled protests plead- ment, including the poorest, is pay-ing with the State Department to ing special attention to its pursuit use its influence to maintain the of information about every phase of force of FBI men who had had six the life of other nations. The years experience in digging out United States seems to be unaware Latin American intelligence. This of the importance of an intelligence was not possible, however, since organization and because of the lack

ALL INFORMATION CONTAINED The Evening Star HEREIN IS UNCLASSIFIED May 29, 1947 62-20750-431 DATELA 2) Alach

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	OFFICE MENORANDUM - UNITED STOTES GOVERNMENT TO : D. M. LADD FROM : E. G. Fitch - C. M. SUBJECT:	b3
		b3
4	ACTION It is suggested this memorandum be routed to the Chief Clerk's Office for their comments as to whether or not copies of	
E	BKM:rhr ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED BROORDED HEREIN IS UNCLASSIFIED F D I DATE 4/7/97 BY SOLARDONIC TO JUN 9 1947	+*

U.S. INTELLIGENCE REORGANIZATION NOTED

Moscow, Soviet Home Service, in Russian to the Soviet Far East, June 4, 1947, 4:30 a.m. EST--P

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(Review of the Central Press)

(Text)

62 SEP 15194

, M

"The newspaper NEW YORK TIMES afew days ago published a report to the effect that the National Intelligence Bureau created by Truman on Jan. 22, 1947, in order to carry on the work of the Office of Strategic Information caused the War Department to liquidate the world-wide secret chain of gathering of military information

"The formation of the bureau also caused the winding up of the work 🏎 of the agents of the Federal Bureau of Investigation who have during the past 7 years worked in the countries of Latin America.

"The National Intelligence Bureau consists of the Secretary of State, the Secretaries of War and Navy, and a personal representative of the President, at the present time Admiral Leahy.

"The director of the Central Intelligence Organ is a member of the National Intelligence Bureau, although he has no vote. The functions! of this bureau, writes the paper, are to plan, ..., and coordinate the information received from abroad."

Forcige Radio Brandcast # 72 6/4/47 U.

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June 12, 1947

MEYORANDUM FOR MR. TANU MR. LADD MR. TOLSON

In view of the newspaper reports, particularly the article by John O'Donnell appearing in the Eduhington Times Herald concerning the forthcoming Hearings before the Youse Committee on Expenditures looking into the merger of the Far and Navy Departments, and with particular reference to the setting up of a Central Intelligence Group, I would like to have prepared for me an appropriate memorandum which I might use if called to testify before this Committee as now seems to be insuitable. I would like to have set forth the various objections to the <u>Central Intelligence Group</u> as it now functions with instances of difficulties already experienced as well as a brief reference to the preliminaries leading up to the present establishment of the Central Intelligence Group and emphasis upon the fallacy of endeavering to divorce domestic from foreign intelligence.

Several points made in O'Donnell's column in objecting to a Central Intelligence Group with operating powers are well founded and should be considered in the preparation of this memorandum.

Very truly yours,

John Edgar Hoover Director

62- 80750-436

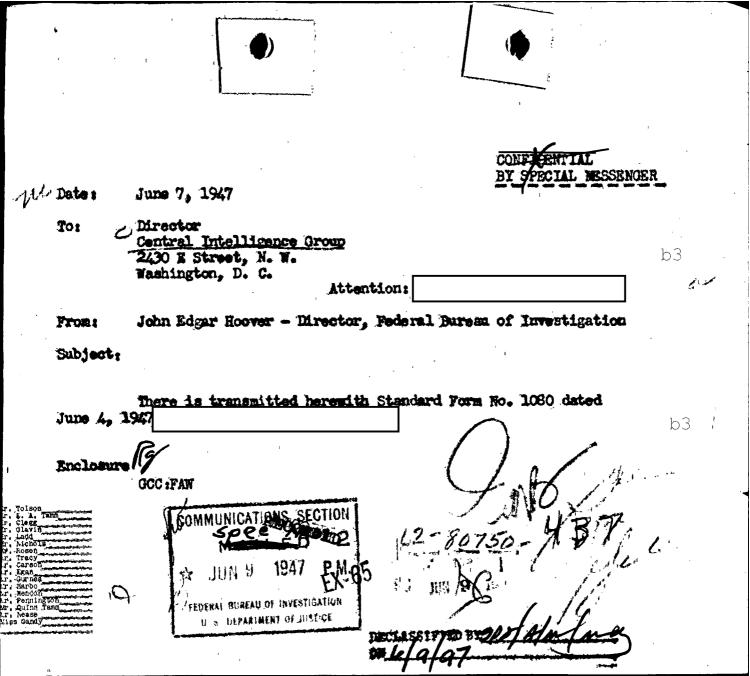
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JEH: SH

Mr. Tolson	
Mr. E. A. Talma	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
	^
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tahm	
Tele. Room	
Mr. Nease	
Miss Gandy	- 1

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Office Memorandum • UNITED STATES GOVERNMENT

DATE: 6/2/4

The Director

D. M. Ladd

STANDARD FORM NO. 64

TO

Central Intelliz

FROM

SUBJECT: S. 1282--A BILL TO PROMOTE THE MATIONAL SECURITY BY PROVIDING FOR THE COORDINATION OF ALL ELEMENTS OF NATIONAL SECURITY, AND FOR THE REORGANIZATION OF THE MILITARY STRUCTURE OF THE NATION TO CONFORM TO THE REQUIREMENTS OF MODERN WARFARE

In accordance with your request, this is to advise that the above captioned Senate Bill introduced by Senator Robertson of Wyoming on May 14, 1947, contains the following provisions:

The Bill apparently is intended as a substitute Bill for S. 758, commonly known as the Armed Forces Merger Bill which was introduced by Senator Gurney on March 3, 1947. It will be recalled that S. 758 provided for the creation of a National Defense Establishment to be administered by a Secretary of National Defense under whom would function the Secretaries of the Army (instead of War Department), the Navy and the Air Force.

In a Declaration of Policy, Mr. Robertson called attention to the inherent danger to democracy in any coalition of the military forces under a common nonelected head. The Declaration continued, pointing out that it is now more important than ever to maintain civilian control of all measures taken to promote the national security. His Bill provides for a complex division of the United States Army and Navy and the Air Force into separate departments. The Army would be constituted as a balanced force of land, air and sea components for the exercise of land power. The Naval Service would comprise the United States Navy and the United States Marine Corps as a balanced force of sea, air and land components for the exercise of sea power; and the new element of military structure, the United States Air Force would be constituted as a balanced force of air, land, and sea components for the exercise of strategic air power.

Title 1 of S. 1282 provides for the coordination of all Government Departments and agencies concerned with national defense, brought about by establishment of the <u>office of Coordinator</u> for National Defense. The Coordinator would be appointed from civilian life by the President.

There would be established also a National Defense Council composed of the Coordinator for National Defense who shall act as Chairman, the Secretary of State, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Chairmen of the Appropriations Committees of the Senate and House, the Chairmen of the Foreign Relations Committees of the Senate and House, the Chairman of the National Defense Resources

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Board, the Chairman of the Atomic Energy Commission and such other members as the President may designate. The purpose of the Council would be to more effectively coordinate the foreign policies, military policies, and economic policies of the Nation.

The Bill would create a National Defense Resources Board composed of a Chairman appointed from civilian life and the Under Secretaries or Assistant Secretaries of the Departments of Agriculture, Interior, Commerce, Labor and Treasury; the Chairman of the Munitions Board; the Chairman of the Research and Development Board, and the heads of such other civilian executive departments and agencies as may be designated by the President. This board would advise and make recommendations to the National Defense Council concerning the coordination of military, industrial, and civilian mobilization.

Section 104 of Mr. Robertson's Bill provides for the establishment of a Central Intelligence Agency, the Director of whom would be appointed from civilian life by the President. The personnel, property, and records of CIG would be transferred to the new Agency and CIG, as well as the National Intelligence Authority, would thereafter cease to exist. The purpose of the Central Intelligence Agency would be to coordinate the intelligence activities of the several Government departments and agencies in the interest of national security. It would advise the National Defense Council in matters concerning such intelligence activities as relate to national security; it would make recommendations to the President for the evaluate intelligence relating to the mational defense, and provide for the appropriate dissemination of such intelligence.

The President would from time to time direct the Central Intelligence Agency to perform additional functions and the provision is made that all such Presidential directives be published within thirty days from the date of issuance in the Federal Register.

The Director of the Agency, to the extent recormended by the National Defense Council, would have the right to inspect such intelligence operations of the departments and agencies of the Government as relate to national defense. It is further provided that such intelligence as relates to national defense and is possessed by such departments and agencies, would be made available to the Director of the Agency for correlation, evaluation, and dissemination.

The Agency would have no police, subpena, law enforcement, or internal defense powers or functions.

The Bill provides in some detail for the coordination of the military departments and the armed forces, to be brought about by the establishment of a War Council, composed again of the Coordinator who would act as Chairman, and the Secretaries of the Army, Navy and Air Force. This War Council would make recommendations to the President and the National Defense Council. The establishment of a Munitions Board having a civilian Chairman is also called for. Under this section a research and Development Board would be created, likewise, having a civilian Chairman.

Section 204 of Mr. Robertson's Bill provides for the establishment of the Joint Chiefs of Staff under whom would function a Joint Secretariat to consist of not more than forty officers.

Title 3 of S. 1282 describes in detail the organization of the departments of the Army, the Navy and the Air Force. It is stipulated that the Under Secretaries of the Army and the Navy shall be appointed from civilian life. The Secretary of the Air Force likewise would be appointed from civilian life.

Under Title 4 concerning the appointment and compensation of personnel there is contained the provision that the Central Intelligence Agency, among the other councils and boards created, would appoint and fix compensation of such civilian personnel as would be necessary to perform the intelligence duties. The Director of the Central Intelligence Agency would be authorized to appoint such advisory committees and to employ such part-time advisory personnel as he might deem necessary in carrying out his functions.

COMMENT:

As indicated at the outset of this memorandum, Mr. Robertson's Bill seems to be aimed at the elimination of control by the military from the National Defense Council. It provides specifically for the appointment of civilians to most of the key positions created by the armed forces merger. Of particular interest to the Bureau is the provision that the Central Intelligence Agency would function under a civilian Director; would act in an advisory capacity to the National Defense Council and would coordinate, evaluate and disseminate intelligence relating to the national defense. The Bill contains no provision for an operating unit to be set up by the Central Intelligence Agency.

K. .

Mr. Tolson Mr. E. (A, Tang Civilian Intelligence Clegg 1 Mr. If the Central Intelligence Agency is to Col serve as a truly national fountain of infor-Mr. mation, its director must be a civilian in Mr. Ladd fact as well as in name. More than the tra-NMA dition of civilian control is involved here. Mr. Rosen As we have noted previously, continuity in Mr. Trady office is imperative in so vital a function as intelligence. A requirement that the Carson director of central intelligence either be Mr. Egan appointed direct from civilian life or relin-Mr. Hendon quish all military status is the only means Mr. Pennington by which an end can be assured to the trad-Mr. Quinn Tamm ing back and forth between the Army and Mr. Nease Ū Navy that to date has hampered stable op-Miss Gandy____ eration. Even more important, however, is the /fact that honest-to-goodness civilian direction is the only way to avoid the formation of top-level military cliques which would inevitably dominate intelligence evaluation and thus mean a warped intelligence picture. We hope that the Senate Armed Services Committee will explore all these implications thoroughly as it considers this significant portion of the armed forces merger. To our mind, the neglect to specify civilian direction of intelligence operations is one of the principal weaknesses of the present X does this bill merger bill. We do not go all the way with Senator Robertson in his substitute bill which would shear the Central Intelligence Agency of its directive powers in addition to stipulating that the director be a civilian. The agency must have the power to survey the entire field of intelligence operations and to take action to fill the gaps. If the agency is emasculated of this function, then the evil of military dominance remains. / But certainly the specification as to a civilian director is a must. Beyond this, in our opinion, the committee should probe methods of assuring a ALE INFORMATION CONTAINED fair proportion of civilians in key intelligence positions. A civilian director alone NCLASSIF would be meaningless if the jobs under him were filled entirely by military men. Sd far there has been a disconcerting tendency use subordinate positions in the Central Intelligence Group as rece for outworn Army G-2s and Navy ea. who, through their ability to stifle at pose as much of a threat to efficienc would a military director.

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ENCLOSURE

29 1947

WASHHINGTON, POST

Page

June 12, 1947

ETHORANDUL FOR HR. TAUL MR. LADD

On June 10 I saw Admiral Hillenkoetter of Central Intelligence Group. The Admiral stated that he had received from this Bureau information concerning Assistant Secretary of Labor, David A. Moss, who had been designated by Decretary Schwellenbach to be the contact with Central Intelligence Group for the Labor Department.

Admiral Hillenkoetter inquired as to what I thought should be his action in taking up with Secretary Schwellenbach / some of the information which we have sent to CIO upon Mr. Moss. I told Admiral Hillenkoetter that I was not familiar with the information which we had sent to him about Mr. Moss but I would have a check made of our files in order to determine what information had been sent to him and all information so sent was of a strictly confidential character. I told him that I thought it would be undesirable to disclose to the Secretary of Labor the lattr. type of information because I was not entirely certain as to how the Secretary of Labor night receive it and to what use he might put it.

I wish that you would have a check made along the lines I have indicated and advise me accordingly.

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TIME . DATE

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* Very truly yours, John Edgar Hoover

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Director

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June 7, 1947

An anonymous outside source, whose reliability is completely unknown, made available to this Bureau the following allegations which are passed on for such evaluation and consideration as may be deemed necessary.

The source alleges that CIG is being "packed" with Communists and Communist sympathisers; that Hallett Johnson, former American Ambassador to Costa Rice, is responsible for the endorsement of a number of appointees there who are definitely "far to the left;" that Royce Wight, presently an official of the organisation, is participating in the program; and Dr. Willmoor Kendall, who is reportedly planning a return to his professorial duties in September, 1947, but presently is engaged in a program of recruiting personnel for CIG, is hiring a number of Communist sympathisers. The source contends that this is all a part of a definite program of infiltration of Communist influence into CIG.

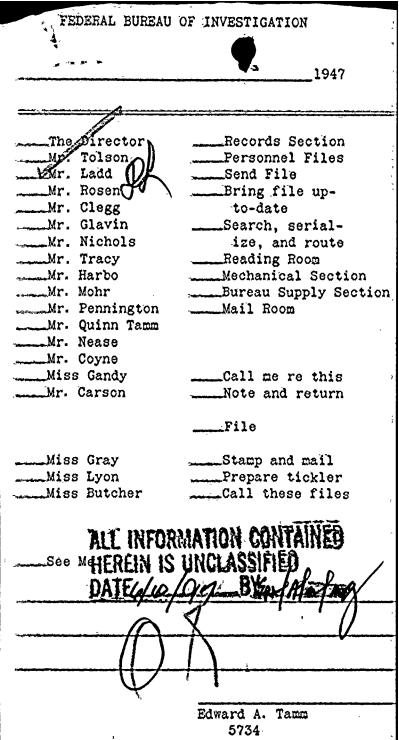
Any other information which might elaborate upon the above will, of course, be passed on when and if received.

JKM: MJ.

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FEDERAL BUREAU OF INVESTIGATION 1947 Records Section The Director Mr. Tolson Personnel Files Mr. Ladd Mr. Tolson. Send File Mr. Rosen Mr. E. A. Tamat Bring file up-Mr. Clegg Ir. Clegg to-date Search, serial-Mr. Glavin, Glavin ize, and route Mr. Nichols 1add Reading Room Mr. Tracy Mr. Nichols. Mechanical Section Mr. Harbo Ma Rosen Bureau Supply Section Mr. Hendon: Facy Mr. Penningtonson Mail Room _Mr. Quinn Tamma Mr. Nease We Carnes ... Harbo Martes Mr. Carson Mr. Nease File Mics Gandy Stamp and mail Miss Gray -Miss Lyon ____Prepare tickler Miss Butcher ____Call these files **ALL INFORMATION CONTAINED** HEREIN IS UNCLASSIFIED See Me DATE6/10/97 BYSD Edward A. Tamm 5734



Office Memorandum • UNITED STATES GOVERNMEN

TO : MR. TOLSON

FROM : L. B. NICHOLS

SUBJECT:

DATE: June 11

Rex Collier called. He explained in the strictest of confidence that <u>Ernest R. Pope</u>, who is em-ployed with CIG, had <u>called at the Star</u> and had a long talk with Jack Cline with regard to a proposed series of articles exposing CIG as being Communistically infiltrated. He explained that he was ordered dismissed but that two days before General Vandenberg left he permitted papers to be changed to allow Pope to resign. They have a letter signed by Pope and three other individuals, Edward Desobry, Jules Nowotny and Enrico Montuero. He wanted to know what kind of people they were as they did not know what to do with this article; however, if only half true, the article constitutes a terrific indictment of-CIG.

I checked the files and found we investigated all four of these individuals. All four had good records, no derogatory information being developed except on Montuero. Some people indicated he was a Communist, but the preponderance of evidence was that he was extremely liberal and, if anything, a Social Democrat. I furnished Rez with considerable details They have all regarding the four, showing their background. had experience on newspapers. Desobry, for example, was with Associated Press in New Orleans for ten years. They are individuals whose backgrounds would give credence, to most anything they would say. In each instance, Gordon I Goodnow of CIG, and Russell W. Shepard of the Foreign Broadcast Intel-ligence Service, now in GIG, gave derogatory statements regarding these persons. Collier stated-they-would-probably-look into the matter further.

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Iffice Memorandum • UNITED STATES GOVERNMENT

DATE: June

1947

-443

TO : MR. TOLSON

FROM : L. B. HICHOLS

SUBJECT:

STANDARD FORM NO. 64

I talked to Rex collier further regarding the articles brought to the Star by Ernest R. Pope of CIG. Rex stated he does not have the articles, that they were not too factual and for the most part consisted of a tirade against CIG, its administrative operations and the like.

He said that on Wednesday, Pope asked for the articles as he had an appointment with the Night Editor of the Times-Herald. Yesterday he came back and stated that the Herald was not interested in the articles.

Collier also found out they had peddled some stuff to Wallace Deuel of the Chicago Daily News and some of it has been syncicated. There is attached an item which 1-4 appeared in the Chicago Daily News on May 28th which Mr. Tracy secured from Jimmy Burns of the AFGE.

Attachment

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58 JUN 201947

Chinago Daily News, Wed. May 28, 1947

LEFT-WINGERS BLAMED FOR INTERNAL CLASH REPORTED PARALYZING TOP U.S. INTELLIGENCE Charge Strugge for Power in Foreign Broadcast Unit

A fleming row was broken out in the top U. S. Intelligence organization, the Central Intelligence Group, it was learned here today.

Left-wing and right-wing elements in the organization are engaged in a struggle for power.

The left-wingers have won out so far, it appears. Eeveral dismissals and resignations have resulted.

THE FIGHT centers in the foreign broadcast intelligence branch of the group. This branch monitors foreign broadcasts and reports on what it hears to the White House, the State, War and Navy departments and other government agencies.

The controversy has interfered seriously with operations of the branch, it is charged, and three House committees have begun to look into it.

Representative Busbey, (Rep. Ill.) discussed the situation with Rear Adapa Roscoe H. Hillenkoeter, director of the Central Intelligence group. It is understood he called on Hillenkoeter to end the row.

As a majority member of the House committee on executive expenditures, Bustey has something to say about appropriations for the group.

BUSBEY made an informal surprise inspection of the organization's offices last weekend, and expressed no delight with what he discovered.

Representative Rees (Rep. Kansas), chairman of the House Post Office and civil service committee, also is taking an interest in the fight.

Rees is a leading advocate of strong action against "disloyal" employees in government service, based on F.B.I. investigations.

The fight in the central Intelligence Group shows that the administration cannot or will not clean house by any any other methods, Rees is understood to believe.

* * * * * * * *

THE HOUSE Un-American activities committee also has been looking into the backgrounds of some of those involved, it is reported.

The trouble in the foreign broadcast intelligence branch apparently began with a fight between two unions.

More conservative employees belong to an A. F. OF L. union for civil servents, and others to a C.I.O. local affiliated with the United Public Workers of America.

Right-wingers in the A. F. of L. union accuse some of the C.I.O. employees of being radicals, if not fellow travelers.

C.I.O. left-wingers, on the other hand, claim that at least some of the A. F. of L. faction are reactionaries, if not Fascists.

IREQUENT shakeups in U.S. intelligence organizations since the war have aggravated the quarrel. The foreign broadcast intelligence branch was part of the Federal Communications Commission when the war ended.

It was transferred to the War Department and later to the Central Intelligence Group. The group has had three different directors and the foreign broadcast branch has had four in less than 18 months.

* * * * * *

Russel Shepherd, director of the branch has made a whole series of sweeping changes in the organizational structure and personnel of the organization since he took charge. He says he has done this in order to increase the efficiency of the branch. But his opponents claim that the changes have reduced the branch's efficiency, instead.

Shepherds real motives have been to strengthen his own position and to favor left-wing **maximum** elements in the organization, his opponents assert. They say he has disrciminated unfairly against A. F. of L. members and other relatively conservative employees and has unduly favored C.I.O. left-wingers.

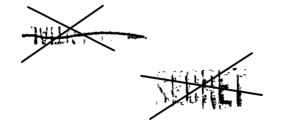
THESE opponents formally preferred these and other charges last November in an appeal to LT. Gen. Hoyt S. Vandenberg, then director of the Central Intelligence Group. Vandenberg turned the charges over to a subordinate to investigate, but seems to have taken no decisive action to stop the fight before he left the group to take a new assignment with the Army Air Forces.

By Wallace R. Beuel

	CC-247	Mr. Tolson Mr. E. A. Tamm
		Mr. E. A. Tamm
		MICI MICES
		Mr. Glavin.
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the state of the		Mr. Tracy
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		Mr. Egan
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		Mr. Pennington
MEMORANDUM FOR	1	Mr. Quinn Tamm
		Mr. Nease
Prove in the second sec		Miss Gandy

THIS MEMORANDUM IS FOR ADMINISTRATIVE PURPOSES TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES





STANDARD FORM NO. 64 Office Memorandum . UNITED STATES GOVERNMENT D. M. Ladd TO DATE: 3/20/47 Mr. Tolson Mr. E. A. Mr. Clegg FROM E. G. Fitch °C. I. G. b3 Mr. Coffe in alay Mr 1544 SUBJECT I ne Trar Volu Carso Bendo Reference is made to Mr. Strickland's memorandum to you dat Manfo March 11, 1947. in which you were advised that [b3 RECOMMENDATION It is recommended that this memorandum be forwarded to Mr. Strickland of the Internal Security Section. JFD:CME [5] ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED, * RECORDED 446 DATES 3 Ser Mal E. 64113 1717 80 JUN 23 1947

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ANDARD FORM NO. Office Memorandum • UNITED STATES GOVERNMENT D. M. Lade DATE: June 4, 1947 TO E. G. Fitch FROM SUBJECT: Communist Infiltration of CIG Attached is a letter which was furnished to Special Agent Griffee of the Liaison Section by Mr. Fred Lyon of the State Department. This letter is addressed to Mr. Lyon by and indicates that the Radio Intelligence Section Miss Beahm diss Gandy of CIG is allegedly infiltrated by fellow travelers who sometimes distort and delay delivery of their reports on intercepted foreign broadcasts in a way that if not helpful to the USSR is hampering to the State and other departments. b'/D Mr. Lyon said that as far as he was concerned he had no objection attached litter , to Bureau Agents interviewing INFORMATION CONTAINED IS UNCLASSIFIED, X N · OME ttachment

FEDERAL BUREAU OF INVESTIGATION G 1947 Records Section The Directo We Tol Mr. Tolson. Mr. E. A. Tamm Personnel Files Mr. Ladd Mr. Clerg. Sond File Mr. GlavinBring file up-Mr. Rosen Mr. Clegg Mr. Ladd to-date Mr. Glavin Mr. Nichols Search, serial-Mr. Rosenize, and route Mr. Nichols Mr. Tracy Mr. Harbo Mr. Cornes Bureau Supply Section Mr. Mohr Mr. Penning Mr. Mohr Mr. Quinn T Mr. Pennington Mr. Nease Mr. Quinn Tamm Mr. Coyne Mr. Nease Miss Gapdy Call me re this " ____Miss Gandy _Mr. Carson Note and return ___File ____Stamp and mail Miss Gray __Miss Lyon ____Prepare tickler Miss Butcher _Call these files ALL INFORMATION CONTAINED SOO MHEREIN IS UNCLASSIFIED BY Sor Edward A. Tamm 5734



HEREIN IS UNCLASSIFIED

Tou were so obliging in that connection that I am sending you a bit of information that came to me too late for inclusion but from a source I consider reliable.

dear Mr. Lyons: DATE Gulay

I am told that the radio intelligence end of the C.I.G. is infiltrated by fellow travelers who sometimes distort and delay delivery of their reports on intercepted foreign broadcasts in a way that if not helpful to the USSR, is hampering to State and other departments. One Shepherd and several others are said to favor the ingress of fellow travelers and the egreesof those who protest. Gen. Sibert once investigated and whitewashed the thing and it will all be denied but the FBI knows about it but can do little. All the above according to my informant whose name I cannot mention. Also I ask that you do not mention mine. Sincerely b7D

SAC, NEW YORK

Director, 781

INCOMPANIA SUBJECTS

INFORMANT INTERNAL SECURITY - HATCH ACT RECORDED 6 2 - 8 0750-4448

Attached are copies of a letter dated May 8, 1947 addressed to Mr. Fred Lyon of the State Department by which, as you will note from the attachment, was made available to the sureau by Mr. Lyon. indicates he has information reflecting that the Radio Intelligence Section of the Central Intelligence Group is infiltrated by "fellow travelers".

Attach

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June 12, 1947

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HEREIN, IS UNCLASSIFIED DATE 97 COMMUNICATIONS SECTION MAILED 10 JUN 13 1947 P.M. FEDERAL GUREAU OF INVESTIGATION U. S. DEPAREMENT OF JUST.CE 3JUN 7 6 1947

May 20, 1947

COPY: FQ

MEMORANDUM FOR MR. TOLSON

Tony Leviero of the New York Times called. He stated he had a story involving the Central Intelligence Group as they had compelled G-2 of the War Department to give up its network of Agents abroad and he had been told by a responsible person that CIG had compelled the FBI to disband its South American organization. He wanted to know if this was correct.

I told him we could not make any statement on the matter of Intelligence but that in response to his inquiry the FBI did not have any further responsibility in South American and had disbanded its organization. He stated he was in G-2 himself during the war, that his information was extremely accurate, that at first he thought he should not write a story as a matter of national interest but that his source had told him no farm would occur and he had an appointment at 4 p.m. to see Secretary of War Patterson, and he wanted to see the Director. I told him the Director was not available and, anyway, the Director could not discuss the matter of intelligence.

He stated he understood the State Department protested the actions of CIG on withdrawing G-2 agents. I told him I did not know about that, but if he checked he would find that most of the South American missions had protested withdrawal of FBI Agents from South America.

Respectfully, REFERENCE UNCLASSIFIED MELALOI DESCRIPTION B. Nichols LEN: RC

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June 21, 1947

MEMORANDUM FOR MR. TAKA MR. LADD MR. TOLSON

On June 10 I saw Admiral Souers who has been in Mashington for several weeks to advise with the AEC upon security matters. Our conversation covered generally the FBI's relationship with AEC and the over-all problem which we are having with CIG and foreign intelligence.

Vary truly yours,

John Edgar Hoover Diractor

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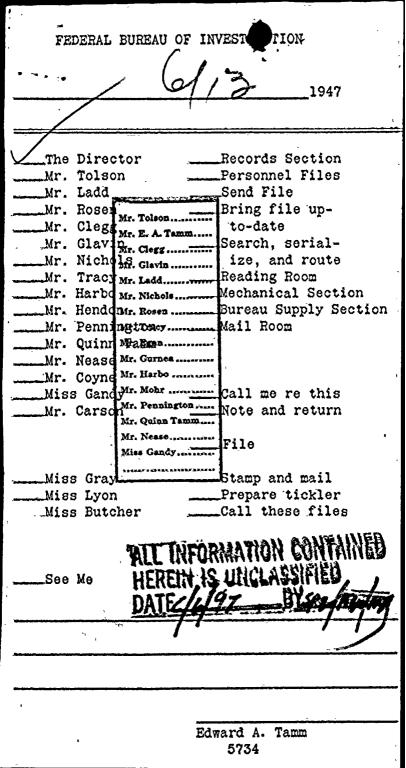
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STANDARD FORM NO. 64 Office Memorandum • UNITED STATES GOVERNMENT MR. D. MTAD UN3 DATE: June 2, 1947 то E. G. Fitch FROM . SUBJECT: b3 th mr € / 200 Quinn In accordance with your request, inquiry has been made of Supervisor I. W. Conrad in the Radio Section of the Laboratory as to the present status of this matter. Tele, Róo Vise Pesh b3 RECORDED COPY FILED IN ALL INFORMATION GOLITAINED HEREIN IS LINCLASSIFED ps Almina DVH FA b3 62-21750 452 RECORDED INDEXED 133 EX 45

TO

Office Memorandum • UNITED STATES GOVERNMENT

DATE: June 13, 1947

Director, FBI

SUBJECT CENTRAL INTELLIGENCE SERVICE Inc. INFORMATION CONCERNING

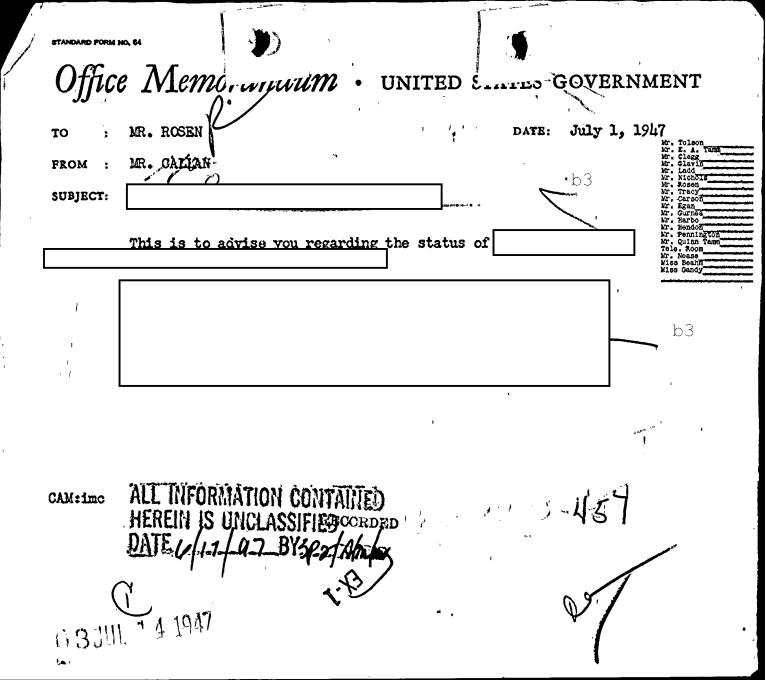
Indianapolis

Reference is made to Bureau communication dated April 28, 1947,

In accordance with the Bureau's suggestion the operations of the Central Intelligence Service Inc. was brought to the attention of Major ROBERT A, O'NEAL, executive officer of the Indiana State Police. Major O'NEAL advised that he has been concerned about the operations of their Identification Division, along the lines mentioned, as well as the fact that W. D. JESSUP, connected with the Central Intelligence Service Inc., was a daily visitor at the State Police headquarters.

Major O'NEAL expressed appreciation at having this information brought to his attention and stated he was taking immediate steps in order to safeguard the identification files of the State Police from promiscuous disclosure of information which they contained to outside sources.

JBL:hmr 32-0-726-L INFORMATION CONTAINED SE 32 PECORDE 150-454 HEREIN IS UNCLASSIFIED DATE 6/12/97 BISPIALO MA INDEXED IN JUN 200 BK7 100 - 60 JUL 16 1947 FX-40



Sec. I

New CIG Secretly Creates U.S. 'Gestapo' of 1,500 Agents **Operating Without Congress Authority**

But Quickly Seizes Power Erom Rivals

By WALTER TROHAN

A bureaucratic empire of more than 1,500 secret agents, reaching into the far corners of the world, is being set up in the National Capital under the noses of economy-minded Republican congressmen.

The new unit is the Central Intelligence Group, which was by law. It is operating on a Fresicreated in the State department to correlate, evaluate and dissen mate intelligence information in the interests of preserving national security.

Expected to Dwarf O.S.S.

Between 1,500 and 1,800 agents are being sent throughout the world. Some of these will wear Army and Navy uniforms, but will not be subject to military control in any way. Others will be in civilian clothes.

On the basis of early operations the unit is expected to dwarf the controversial wartime Office of Strategic Services, the cloak and dagger agency which drew wide criticism.

Agents of the CIG have begun operations on the pattern of Russian secret police, the MVD or Nazi gestapo agents, both of whom usurped diplomatic and intelligence functions,

Already the CIG has forced the War department to liquidate its worldwide secret intelligence work and has effected the disbanding of the FBI's extensive undercover system in South Africa.

Rival Agencies Fought

CIG members have frankly describid G-2 Army intelligence; ONI, Navy intelligence, and the FBI foreign operations as "rivals" and consider their first task is to dispose of other American intelligence units.

One American ambassador has reportedly submitted his resigna. tion as a protest against CIG activities in his embassy.

High CIG officials have said their operatives will be addre mil-itary and naval attaches. A youth-ful uniformed CIG operative-may issue orders to a general or an admitel on duity at an endasty, a CIG official said, because of the powerful unit of which he is the representative.

Plan to Spend Millions

The CIG is not yet authorized dential directive, and it proposes to spend 30 to 60 million dollars, which does not show in the budget because the unit expects to draw on the Army, Navy, State department and funds placed at the personal disposition of the President.

The avowed purpose of the unit was to correlate and study information made available to the President by Government departments. However, the new agency promptly found a loophole in the charter which enabled it to establish a worldwide system of col-lecting information as well as evaluating what others collected.

The Presidential directive establishing the unit was issued January 22.

Under original plans CIG was to correllate information gathered by the Army, Navy and State departments. To be certain that the unit passed on the information it received from the various departments, it was provided that a copy of what was sent to the White House would be returned to the departments,

Rules Are Sidetracked

However, this is not being done. With CIG as a gathering agency, other departments are being short circuited. CIG will both gather and evaluate information for the White House. It is expected that it will give more attention to what it gathers than what it receives from other departments, Fleet Adm. beany, side to Mr.

Truman, picked the head of CIG; Rear Adm. Roscoe H-Hillen-koetter, who served Leapy when the latter was ambassaddr to the

Vichy government of France, CIG is seeking to have the Presidential directive, which created it, made the law of the land. In the House the bill is in the hands of the Committee on Ex-penditures in Executive Depart-ments. The House Armed Serve ices committee had issued a report recommending restriction of CIG operations to evaluating intelligence.

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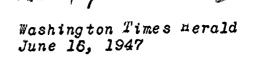
Pennington

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