CONGRESSIONAL COUP D'ETAT

The sudden surrender by the Japanese on 14 August 1945 was not anticipated by FBIS. Shepherd was called back to Washington for conferences in June 1945, and among matters decided upon was the continued movement into the Pacific as the war progressed. Plans were made with FCC approval to send a forward team to Okinawa as soon as fighting was ended there. It was expected to function just as Guam already was operating -- to give the area command all support possible, and to file as rapidly as possible to Kauai and Washington new monitored material. The sudden end to the war in the Pacific brought to immediacy the question of the future of FBIS.

Need for Peacetime Monitoring

FBIS personnel had given considerable thought to the possible peacetime status of FBIS, but no one suspected that matters would come to a head so soon. The Kauai Station had been in operation about nine months, Guam a little more than six months. Most employees of PACOB had assumed that they would have a year -- perhaps two -- before facing the problem of a possible end to their mission. Employees in Washington were in a better position to understand the situation, for the reducing process already had been in operation there for more than a year. In
London, where the war already had ended some months earlier, everyone sensed the imminence of change, but few seriously thought there would be a sudden end to monitoring. With the war over in Europe, demand for the monitored product had not been perceptibly reduced.

What few outside the higher echelons of FBIS and FCC realized was that Congress was in a mood to cut off funds. Harold Graves warned FCC in a memorandum as early as 20 February 1943 that the FBIS appropriations bill included a clause saying that no funds would be provided for more than 60 days following an armistice.*

Robert D. Leigh called attention to the same fact in a letter dated 1 December 1943. FBIS officials tried unsuccessfully to get this clause in successive appropriations bills spelled out more clearly. Would funds be withheld 60 days after an armistice, or 60 days after a final peace treaty was signed? Would an annual appropriation already approved by Congress be available until the end of the year, or would the remainder of the

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* Graves said: "I notice that our appropriations bill is amended so that RID and FBIS will be continued for only 60 days in the event of peace or an armistice. The provisions of the bill, as I know them, are not very clear, but I should like to point out that continuation of FBIS for only 60 days after the close of hostilities would probably be thought of by the State Department as undesirable, since FBIS will continue to have considerable value during any period of peace negotiations." FBIS Records, National Archives.
appropriation be rescinded 60 days after an armistice?

Coming into office at a time when an armistice in Europe seemed imminent, Hyneman was particularly concerned about postwar prospects. In his report to FCC on 4 December 1944 he noted that he had named a committee to study peacetime monitoring needs of leading FBIS clients. A superficial examination, he said, showed substantial evidence that most agencies thought they would continue to need the monitored product after the war, and would prefer that it be supplied by some independent service agency such as FBIS. He promised a separate report on the subject after the committee had completed its study.*

* Dr. Leigh also had given some attention to the postwar status of FBIS. In a report to Robertson of FCC on 11 September 1943 he estimated that if the war should end in Europe the London wire and staff would be reduced by 50 percent, analysis 25 percent, and the Washington staff 20 percent. Pacific expansion would bring the overall cut to 15 percent. "After a transition period, however long, FBIS as a war agency would cease to exist, in favor of a simplified, much less costly, State Department network of monitoring units attached to its strategic foreign embassies with regular diplomatic communications channels to a central editorial-analysis unit in the State Department. It is difficult to imagine a Twentieth Century diplomatic intelligence agency operating without such a systematic observation and report on radio propaganda and other programs emanating from foreign countries, many of them under direct or indirect government control. I would estimate that the cost of an adequate broadcast monitoring service tied into the State Department and foreign mission headquarters would be less than a million dollars a year, with a staff of 250 or less." Job 49-24, CIA Records Center.
ON THE BEAM for 23 October 1944 told of the new study committee. It was made up of seven FBIS employees, including Russell Shepherd, Stephen Greene, and Audrey Menefee. The committee prepared a questionnaire to submit to all FBIS users, seeking studied opinions concerning what need there would be for foreign broadcast monitoring after the war and how it should be handled.

Hyneman elaborated on the findings of the committee in a report dated 3 May 1945. He cited the worldwide monitoring system and the important service it rendered during the war. However, he pointed out, the special value of wartime monitoring resulted from the cutting off of normal avenues of information. Peace would change this. The question was: With normal avenues of information restored, would there still be a need for foreign broadcast monitoring?

The preponderance of opinion was that even in peacetime U. S. officials could not know quickly what national leaders were telling their own people or citizens of nearby countries without some wholesale monitoring of the foreign radio. The report noted that monitoring of radio broadcasts was the fastest, cheapest, and most reliable way of getting general information and intelligence concerning a particular country. The American press could not give sufficient coverage, and dependence on the foreign
press would be too slow and cumbersome. For example, Hyneman cited a radio speech made by FCC Chairman Fly on 27 April 1945. Associated Press carried 200 words on the speech, and there was no evidence it would be reported textually in any U.S. publication. If a comparable speech were made in a foreign country it might be of considerable interest to U.S. officials to get full text. Its availability would be unlikely without foreign broadcast monitoring.

Hyneman’s report insisted that after the war it would be necessary in some department of government to monitor foreign radio broadcasts, and also to conduct an analysis of the foreign press. However, he readily acknowledged that numerous questions arose, and answers still were inconclusive. For example, would radio monitoring of a particular country be of importance only in diplomatic relations with that country, or would there be a general need for analysis and intelligence in various governmental quarters? If the former, perhaps monitoring should be done on a very small scale by embassies; if the latter, centralized monitoring and analyses would be needed. Another unanswered question stressed in Hyneman’s report was the extent to which cooperative arrangements abroad would, or could, continue. If such cooperation were retained and expanded,
the problem of worldwide monitoring certainly would be considerably simplified.

Assuming there would be very little international cooperation, aside from permission for a monitoring team to operate on foreign soil, Hyneman and his committee did come up with a tentative plan for a U.S. peacetime monitoring network. It would consist of major monitoring stations on the East Coast of the United States, in Puerto Rico, Kauai, the Philippines, the Eastern Mediterranean, and Western Europe. These would be supplemented by small listening posts, closely tied to embassies, in Rio de Janeiro, Montevideo or Buenos Aires, the West Coast of South America, Tokyo, Chungking, Teheran, Moscow, and India.

Hyneman seemed to think at the time of his 4 December 1944 report that FBIS would have ample support from the State Department and other governmental units in persuading Congress that the end of the war must not be the end of foreign broadcast monitoring. By the time he made his final report to FCC, 31 July 1945, he had lost much of his optimism. He said that his analysis of the committee study, along with its findings, had been widely distributed among FBIS users, and that one meeting had been held with responsible officials from several departments. So far, he said, there had been no response that would indicate widespread interest in
what would happen to FBIS at the end of the war. Apparently most agencies had their own problems which seemed more immediate. Some thought had been given in the State Department, Hyneman said, but few officials had evinced more than a lukewarm interest in radio as a major and continuing source of intelligence.

Disillusionment Regarding Soviet Aims

One force at work in the State Department and other offices to create concern over the fate of FBIS was the growing doubt as to the position of the Soviet Union in a postwar world. The protest in certain quarters in November 1944 at FBIS plans to abandon analytical work was based on claims of some officials that they could not afford to lose the Russian analysis. Hyneman's response was that State should set up a strong Russian analysis team to use FBIS materials, and a recommendation that it obtain the services of retiring FBIS Soviet expert Charles Prince. OSS also showed some concern at the loss of Russian analysis. Gerd T. Robinson of OSS, writing Hyneman on 17 January 1945 to express regret that FBIS analytical work had been discontinued, added that he hoped the Daily Report now would carry more Soviet radio material. In December 1944 BBC officials had asked the FBIS London Bureau Chief to sound out Washington on user opinion concerning BBC products. Behrstock reported that the top current need in Washington
seemed to be more Soviet broadcasts. He added on 9 March 1945 that his latest report from Ellis Porter showing Washington needs stated that most U.S. offices "desired any information from Moscow that touches on Soviet aims and plans in occupied countries."

All during the war there was limited cooperation between FBIS and Soviet offices in Washington and London. The Soviet Embassy in Washington asked for copies of the Daily Report as early as 11 November 1942, and the State Department approved. Favorable answers to questionnaires kept the Russians among Daily Report readers through 1945. In London there was frequent contact between FBIS and TASS. In 1943 FBIS London was getting the daily Soviet communique directly from TASS, which received it from Moscow. Peter Rhodes in a letter on 8 October 1942 thanked TASS for the "excellent collaboration" FBIS had received. Julian Behrstock on 16 June 1944 thanked TASS for its "excellent service," reporting at the same time he had been unable to get an

* John T. Campbell, writing on the 21st anniversary of the start of BBC monitoring, listed two major reasons making peacetime monitoring essential: First, the tremendous increase in international broadcasting, creating a vast supply of important information; second, "the rift between the two major divisions of the world -- Communist and non-Communist -- which has led to a spate of radio propaganda being put out about which it is essential for governments to be informed." BULLETIN of Association of Broadcasting Staff, BBC, for August 1960.
NRO receiver from the United States that a TASS official had requested. Vincent Anderson reported to Ambassador Winant from Stockholm in June 1943 that he had visited the TASS office there and had offers of cooperation.

But when it came to formal Russian incorporation into the U. N. monitoring system, cooperation vanished. Rhodes wrote Lloyd Free on 18 March 1942 that a British team had gone to Moscow to rebroadcast an English program, as the Russians had balked at having such a broadcast made directly from London, or even from Moscow unless they were allowed to revise the final draft.

Fly wrote Secretary Hull on 22 June 1942 asking information regarding Soviet monitoring of Japanese broadcasts and suggesting the possibility of a liaison representative at a Soviet monitoring post. The Russians were evasive.

The increased demand for Soviet copy was noticeable in Washington in 1944 and 1945. David Cooper suggested to the BRU staff at San Francisco in November 1944 that it might increase its usefulness if it could do some experimenting with Russian Hellschreiber. In a 20 April 1945 request for more wordage via Signals from London, Hyneman suggested an increase of Soviet material. Signals replied that FBIS London might disregard wordage limits to send all the Russian it desired. Hyneman reported on 4 December 1944 that in the past year the percentage of FBIS wordage devoted to monitoring of the USSR had
increased from 7 percent to nearly 13 percent.*

**Fight to Remain Afloat**

Russell M. Shepherd took over as fourth Director of FBIS on 7 August 1945. Just one week later the war was over and he was face to face with the problem of monitoring in the postwar period. Shepherd immediately informed primary FBIS users of the legal requirement that funds of FBIS must lapse in 60 days, and warned that if action were not taken before 31 August, FBIS undoubtedly would close. FBIS employees also were warned by Shepherd on 18 August 1945. He reiterated that affirmative action by Congress would be necessary before 31 August if FBIS operations were to continue, but at the same time reported negotiations under way with State to obtain its assistance. Administrative confidence that Congress would not let the work stop was further demonstrated by the announcement that Julian Behrstock was proceeding to Hawaii to replace Shepherd as PACOB chief. David Cooper was appointed FBIS

* According to a memorandum on 4 October 1944, FBIS copy being used on the A Wire was 26.3 percent Japanese, and only 8.72 percent Russian. Of Russian material being used, 49 percent came from the BBC with Washington supplying 27 percent and the West Coast 21. These figures demonstrate not only the small Soviet coverage, but also the extent of FBIS dependence on the BBC. Job 49-24, CIA Records Center.
administrative officer.

In a new memorandum to the staff on 5 September 1945, Shephard reported that the FBIS appropriation request and budget estimate had been sent to Congress with positive endorsement by the Bureau of the Budget, the State Department, and several other important government agencies. He expressed confidence that FBIS would continue to operate until the end of the fiscal year.

Special efforts were made to enlist State Department support. Letters to various users recalled that FBIS originally was established at the request of State. The position of State was shown rather clearly in a letter to Ellis Porter on 17 July 1945 signed by Assistant Secretary of State J. Holmes. He stated that following extensive conferences, State officials had concluded that "it would be desirable to continue the present services of FBIS during the 1945-46 fiscal year."

Specifically, the letter continued, State would like to

* The memorandum carried these words: "If this appropriation is approved by Congress, the status of FBIS will be reviewed again in January 1946 in an attempt to make a final determination of what its permanent peacetime status should be.... I feel quite confident that we will continue for the rest of this fiscal year." It was evident that Shephard was trying desperately to maintain the confidence of his staff, and fend off a final decision on FBIS until he had time to present a sound case. Job 49-24, CIA Records Center.
have continued the present monitoring from Europe and the material obtained from the BBC. As this was before the Pacific war had ended, there was no question concerning Far East monitoring. Holmes went on to say that State understood that to continue this service FBIS would need more funds from Congress, and would be prepared, "if necessary," to second its request for funds.

Press correspondents and domestic radio commentators also were informed immediately by Shepherd of the situation. Charles Hodges of the Mutual Network wrote Shepherd on 16 August 1945 suggesting that the Daily Report go on a subscription basis. He forecast "considerable public interest." In a reply to Hodges on 21 August Shepherd announced the imminent end of FBIS, adding that if operations were allowed to continue he intended to permit distribution of FBIS products to "all members of the press and radio." An administrative memorandum of 14 September 1945 showed 35 names of newspaper writers and radio commentators added to the Daily Report distribution list.

Late August and early September provided six weeks of tenseness and uncertainty in FBIS. Shepherd pursued his policy of continuing the battle in Congress and among FBIS users; encouraging FBIS employees; but hedging through elimination of all possible expenditures.
The final copy of the bi-weekly Far East Radio Report was issued on 25 August, but all Far East monitoring continued. The B Wire, carrying 45,000 words a day to OWI when the war ended, was closed down near the end of August. The A Wire early in September started operating from 0800 to 2200, and then was reduced to an 8-hour operation. It was not discontinued until 6 December.

Very soon after 14 August 1945 the House Appropriations Committee called upon FCC to justify its National Defense Activities, including RID and FBIS. The State Department wrote to FCC on 31 August asking that FBIS be continued until the end of the 1945-46 fiscal year, and this request was passed on to the Committee. It had no effect. Appropriations Committee members continued to insist that FBIS and RID appropriations remaining 60 days after the Japanese surrender should be rescinded.* The press and domestic radio came

*Paul Porter, new FCC Chairman, explained the sequence of events in a letter to Assistant Secretary of State William Benton on 20 September 1945. He said he gave the Committee two bases for foreign broadcast monitoring. The war had cut off sources of information; and international broadcasting opened up a new medium of information not readily obtainable except through monitoring. The surrender eliminated the first reason for monitoring, and FCC was not capable of judging the importance of the second. The State Department was.

FBIS Records, National Archives.
to the defense of FBIS. A Mutual Network broadcast on 8 September 1945 severely castigated Congress for demanding an end to such an organization as OWI before its work was ended, and declared that FBIS was "the key to the situation," as it supplied the raw material to OWI, State, and other departments. None of this seemed to influence the House Appropriations Committee. FCC gave up and began to work for a reversal in the Senate.

Final decision was made by the House Appropriations Committee on 19 September. It voted to rescind $930,000 of the $2,430,000 appropriated for National Defense Activities of FCC. Recognizing RID, but not FBIS, as an integral part of its fundamental regulatory functions, FCC felt that it would be forced to continue RID and liquidate FBIS. The House committee offered no objection to this settlement. On 26 September 1945 FCC issued a news release announcing that FBIS would go out of existence in 30 days, and that 30-day notices were being issued to all employees. Noting that FBIS had been the source of valuable intelligence during the war and had continued to supply the government with valuable information since the

* "But our billion dollar government," the broadcast complained, "hasn't the few thousand dollars necessary for continuation of this information service." FBIS Records, National Archives.
armistice, the notice called it surprising that State had not already taken over the functions of FBIS, as President Truman by executive order already had transferred the activities of OWI, CIAA, and OSS to State.*

On 15 September, before FCC action, 30-day notices were issued to 34 FBIS employees in Washington and Portland. The thinking then was that if the entire appropriation eventually were restored, no further cuts would be needed to keep within the budget. It almost immediately was evident that more cuts would have to be made. Yet, despite these reductions, as late as 17 September 1945 clearance and travel were requested and approved for Wally Klima so he could accompany Julian Behrstock to the Philippines to survey for expanded monitoring.

On 26 September 1945, 30-day notices were sent to all employees, but Shepherd stressed in the accompanying letters that this did not mean "that the future

* Files of FBIS contain an undated Executive Order with the name of President Harry Truman at the bottom ordering transfer to State on 15 October 1945 of the "functions of FBIS of FCC." The document says these functions were to be "transferred and consolidated in the Interim Research and Intelligence Service, which was established in the Department of State in Executive Order Number 9621." Personnel, property, records, and funds were to be transferred, with the Bureau of the Budget instructed to take whatever measures would be needed to effectuate the transfer. Apparently this tentative order had been prepared by Shepherd and perhaps some representatives from State, to be passed by State to the President, but never approved by the Secretary of State. Job 54-27, Box 15, CIA Records Center.
of foreign broadcast monitoring has been finally determined." He noted that the President had asked Congress to restore the appropriation, that Secretary of State James Byrnes had said he wanted monitoring to continue, that the full House had not acted, and that the Senate very likely would refuse to go along with the rescission procedure. Kauai and London were instructed on 26 September to let local employees go and to return to Washington at once all those hired at Headquarters who could be spared. Kauai returned seven employees at once. By October the number of employees had been reduced to 263; it was 325 on 1 July 1945. Shepherd continued his encouraging messages to employees, pointing out on 16 November that it could not be determined until both Houses had acted if FBIS were to continue.

On 19 October the House approved the recommendation of its Appropriations Committee. When the Senate Appropriations Committee met to consider the issue, the State Department sent a spokesman and a strong recommendation that FBIS be kept intact. The Senate Committee recommended that FCC funds not be reduced, and the full Senate approved its recommendation. The Senate-House Conference Committee met on 1 December 1945 and reported out a compromise calling for rescission of half the money, or $465,000. This was approved
on 3 December by both Houses. The compromise was a help to FCC and RID, but did not benefit FBIS. Its operations had continued pending final Congressional action, and with the fiscal year now nearly half over, it had barely enough money remaining to pay travel costs of personnel overseas, ship back equipment, and meet other costs of liquidation. Consequently, all FBIS operations came to a close on 10 December 1945. The FCC order called for complete liquidation by 31 December.

Rescue by the Army

Final closure of FBIS brought an avalanche of protests. Some State Department officials who depended upon FBIS information were particularly vehement in their denunciation of Congressional and FCC action. Statements by FCC Chairman Paul Porter indicated that FCC retained considerable confidence that the service would not be allowed to die. In writing to Congressman James Wadsworth on 19 November 1945, Porter stated that executive departments of the government were "very anxious" that FBIS be continued, and while FCC would be "willing to continue to act as a service agency," it felt that the operation should be transferred to the "division making the most use of it" -- State Department. In his final report on 1945 activities of FBIS, Porter
remarked that he had been "informed informally" that War, Navy, and State were attempting to make arrangements to take over the functions of FBIS, and had requested that the physical plant be kept intact until a decision was made. Shepherd notified field stations, immediately after the closure announcement went out, that an effort should be made to hold the staff together for a few weeks, as there was an excellent chance that operations would be resumed.

In spite of the widespread belief that State was the logical organization to take over FBIS, and in spite of pressure from FCC and other groups, the State Department could not see its way clear to assume the added responsibility. It was absorbing a number of war agencies, reopening embassies and legations in restored territories, and was beset with numerous problems, including that of insufficient funds. War, Navy, and State did agree that FBIS functions must continue, and under Russ Shepherd's urging decided that action should be taken at once to prevent a complete desiccation of the FBIS staff and loss of trained employees. On 13 December 1945 Shepherd informed FCC that the War Department had signed a letter to the Bureau of the Budget requesting that an executive order be prepared transferring FBIS operations to the Military
Intelligence Division of the War Department, effective 1 January 1946. Shepherd added that the Bureau of the Budget had given its approval, but it still would be several days before action could be completed.

Shepherd also gave a financial accounting to FCC. After Congressional action rescinding funds of $465,000, FBIS had only $701,000 appropriated for the year. Through 12 December, $650,037 had been spent, leaving a balance of $50,963. Shepherd estimated that it would cost $93,926 to liquidate including payment of terminal leave to employees, while operations could continue for 1945 at a cost of $51,608. In view of these facts, he requested that operations be allowed to continue until transfer to the War Department. Apparently the request was approved, though only token operations were carried on during the following three weeks. There was little monitoring and no publications were issued.*

On 21 December 1945 Secretary of War Robert P. Patterson wrote Paul Porter asking that personnel of FBIS be transferred to the War Department as of 31 December, with no changes in duties, grades, or accrued leave. Immediate approval was necessary, he said, "to avoid loss of continuity and of experienced

* No documents authorizing continued operations have been found, but permission may have been given orally.
personnel.* Porter answered the letter on 27 December accepting the War Department offer and reporting that FCC and War Department representatives already had met to "make detailed plans" for the transfer. FBIS employees all were notified before Christmas that FBIS would resume full operations on 2 January 1946, under War Department sponsorship. At first only personnel were transferred, with the War Department taking over FCC equipment on loan. It was reported by FCC on 14 August 1946 that the War Department had agreed to buy the equipment at 55 percent of its original value. State Department approval had to be obtained for property in London and on Guam.

There remained the question of just how the War Department would administer its new acquisition. Shepherd said in a letter to Edward Berkman on 4 January 1946 that his understanding was that FBIS would operate as an autonomous unit under G-2, very much as it had operated under FCC. In London administration was allocated to the theater commander. Fred Brace

* Continued pressure on the State Department was evident in this letter. Patterson said: "Systematic coverage of foreign propaganda broadcasts is believed primarily the concern of the State Department," adding that the Navy and War Departments also found the FBIS product valuable. FBIS Records, National Archives.
reported that both FBIS and the military attache anticipated some administrative headaches. Berkman in Cairo was assigned to the staff of the military attache in the Legation. The Kauai staff was placed directly under G-2 at Ft. Shafter, and a liaison officer named to handle FBIS problems.* On Guam there was a rather touchy problem of adjustment. With the station under Navy sponsorship, transfer to Army raised the question of whether or not the staff could continue to use Navy facilities. Agreement eventually was reached; FBIS continued in Navy quarters with other Navy facilities.

Much of the success in keeping FBIS afloat was attributed to Russ Shepherd. Writing on 22 February 1946, Ben Hall remarked that Shepherd "did his level best" to delay the liquidation procedure, and did get delays on two occasions while continuing to pressure the War, Navy, and State Departments to make a final decision. Hall added that transfer to the War Department was a recognition of the "need for radio monitoring in

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* Julian Behrstock wrote Phil Edwards on 19 March 1946 describing the relationship of the Kauai station to the Army. Signals was to pay the costs. Office of Civilian Personnel would handle personnel and payroll problems. Personnel could be hired at once, and plans were in the works to get a ceiling of 52 employees for Kauai and Guam. Total employment at the time was 38, with 8 more in process of being hired. Job 49-24, CIA Records Center.
peacetime," but there remained considerable uncertainty as to where FBIS "should be located permanently."

Shepherd said on 4 January 1946 that FBIS had been "counted out definitely on two separate occasions, only to be revived at the last gasp," and agreed that on these occasions very few gave it any chance to survive.

There seems to have been one task assigned to FBIS by FCC that was never fully completed. FCC on 12 September 1945 adopted a proposal calling upon FBIS to prepare a history to be turned over to FCC, the Bureau of the Budget, National Archives, and the Library of Congress by the end of the year. Preparation of this history was mentioned several times in correspondence during 1946, but the apparently completed document of 53 pages falls far short of being an adequate and fully documented history of these five years.*

* The FCC resolution said: "The Director of FBIS should be instructed to produce a history of FBIS which should, (a) provide a summary account of the nature of its task, how it organized to perform its task, and, the nature of the service rendered to agencies; and (b) provide in some fullness an account of the procedures, techniques, and facilities developed for reception and monitoring of radio broadcasts. The aim should be to complete the project not later than 31 December 1945." History of FBIS, RC Job No. 54-27, Box 15, CIA Records Center.