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**CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.**

MAR 14 1950

MEMORANDUM FOR: THE EXECUTIVE

SUBJECT: Procurement from FBI of Counterespionage
Information having Positive Intelligence Value

1. Reference is made to the memorandum dated 27 February 1950 from Mr. Prescott Childs, Chief, Coordination, Operations, and Policy Staff, to the Executive and other officers, entitled "Failure of JAEIC to Receive Counter Espionage Information having Positive Intelligence Value". Reference is also made to the memorandum dated 1 March 1950 from the Assistant Director, OCD, to the Chief, COAPS, concurring with the memoranda attached to the first reference listed above. Pursuant to Mr. Childs' request, the comments of OSO are set out below.

2. It has long been realized that there has been an improper utilization of available counterespionage information as the basis, or at least partial basis, for positive intelligence estimates. This has been true particularly in connection with estimates of capability in the scientific intelligence field. The problem raised by this lack of utilization has been discussed by OSO with OSI on several occasions. OSO concurs that every effort should be made to secure from the FBI all pertinent counterespionage information bearing on these estimates. In connection with any efforts to secure such information, however, it should be remembered that it has been a rigid FBI policy not to release operational details of active pending counterespionage cases where such release can be avoided. In view of this, while I do not entirely concur in this policy, it must be considered in connection with any approach to the FBI for such information.

3. OSO does not concur in the proposed draft letter to the FBI attached to the first listed reference above. While it is felt that a strong request should be made for such pertinent counterespionage information, it is not felt that the draft letter as presently phrased has any substantial chance of securing the information that is desired. Citing the FBI's membership on the IAC and referring to the desire of the National Security Council will not be considered by the FBI as sufficient reason for varying

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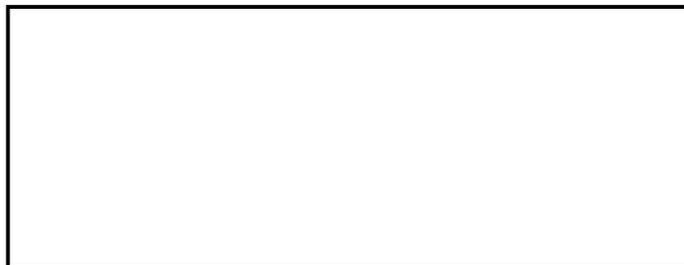
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any policy that they do not desire to vary. In connection with the use of the FUCHS case as a specific example, it is felt that this should be mentioned, but not as proof of any failure of the FBI to furnish information to CIA which should have been furnished to permit this Agency to fulfill its responsibilities in making appropriate intelligence estimates. In the first place, while a complete summary of the FUCHS case has not been received, the information that has been received clearly reflects that there apparently was no real or detailed knowledge of disclosures made by FUCHS until his questioning by the British authorities only a few days before his arrest. Secondly, if the FUCHS case is used as sole proof of the FBI's failure to furnish necessary counterespionage information, they will be able to state with accuracy that this was primarily a British case and that they were not at liberty to divulge information to anyone until they did divulge such information.

4. It is felt also that the approach to the FBI should definitely be on behalf of CIA as such, and not on behalf of the JAEIC, since it is probable that the FBI would be more reluctant to furnish such information to a committee than to a single agency.

Action: Attached for your consideration and for concurrence or comments is a proposed substitute draft letter to the FBI for signature of the DCI.



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Attachment:
Draft ltr to FBI

Distribution:
Assistant Director, ORE
Assistant Director, OCD
Assistant Director, OSI
Chief, I&S
Chief, COAPS

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D R A F T

Mr. John Edgar Hoover
Director
Federal Bureau of Investigation
Department of Justice
Washington 25, D. C.

Dear Mr. Hoover:

One of the most critical responsibilities of the Central Intelligence Agency at the present time is the compilation of periodic estimates of the capabilities and progress of the USSR in designing, producing, and stockpiling atomic bombs. In the light of recent developments reflecting successful Soviet espionage efforts against U.S. atomic energy installations, I am deeply concerned over the validity of such estimates and particularly desirous that all possible information bearing upon Soviet capabilities in this field be carefully considered in connection with future estimates.

I feel that in the past there has been insufficient utilization of available counterespionage information as at least a partial basis for estimating Soviet capabilities in the atomic energy field. One of the primary factors in any such estimate is, of course, the extent to which the results of U.S. and other research and development have become available to the Soviet Union through espionage and other means. Knowledge of substantial compromise of U.S. atomic energy information by the Soviet intelligence services can easily be sufficient to completely change the estimates of Soviet capabilities. For example, the periodic estimate which was produced in July 1949 would have been substantially changed had the Central Intelligence Agency been aware of the extent of the information divulged to the Soviet intelligence services by Dr. Emil Julius Klaus FUCHS. Subsequent developments have demonstrated that this estimate was too low and consequently gave an inaccurate and unrealistic picture of Soviet capabilities. Capability estimates currently in preparation and to be prepared in the future should be materially affected by available counterespionage information indicating the extent of Soviet access to classified U.S. information in the atomic energy field.

I am particularly concerned over this problem in view of the fact that the most basic U.S. plans and policies are conditioned by the intelligence estimates of Soviet capabilities. Any failure to utilize all available information bearing on this problem can, as I

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am sure you will agree, result in the gravest consequences and in serious prejudice to our national interests.

This Agency has received very little detailed information reflecting the extent of Soviet intelligence successes against U.S. atomic energy installations and personnel. In view of the seriousness of this situation and the overriding national interests involved, it is requested that the Central Intelligence Agency be furnished with all information presently in your possession indicating actual or probable disclosure to the Soviet intelligence services, or to other intelligence services, of critical or classified information concerning atomic energy. It is also requested that this Agency be advised at the earliest possible time of any actual or probable disclosures of such information which may come to your attention in the future. Of particular value will, of course, be specific details on the exact information compromised and on the technical competence and extent of access to critical information of any individual identified as, or suspected of being, an agent of a Soviet or other intelligence service.

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