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ABSTRACT	X INDEX
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12 MAR 1965

MEMORANDUM FOR: Deputy Director for Plans

VIA: Chief, Counter Intelligence Staff

SUBJECT: ○ References to DCI in Soviet Publication,
People and Politics

1. There has recently come to our attention a book called People and Politics published in 1964 by the Pravda Press, Moscow. The book is a collection of brief biographies, some of which had previously appeared in a monthly magazine, World Economics and International Relations. A translation of the sketch on the DCI is attached herewith. The article, signed E. BERANZHE, appeared in World Economics and International Relations in Issue No. 10, 1962, page 132, and is reproduced on pages 261-263 of People and Politics.

2. The book is described on the inside cover as the first issue of a biographic annual "written by specialists on the basis of facts little known to our readers." It is divided into three parts:

a. Leaders of Socialist countries and activists of the international workers movement.

b. Prominent individuals of the countries of Asia, Africa, and Latin America.

c. Prominent individuals of Western Europe and North America.

The third section includes "a group of several politically prominent persons, representatives of business circles, well known publicists of the USA, England, France, the Federal Republic of Germany, and other capitalist countries."

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3. The material on the articles on Mr. McCone is mainly derived from articles published in 1961 or readily available in standard biographic reference books. The same material, or parts of it, almost invariably appears in any references to Mr. McCone published in the Soviet press.

Signed: []

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Chief, CI Research and Analysis

Attachment

cc: []

Distribution:

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CI/R&A/ :mjb 11 March 1965

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John Alex McCone

Mr. Billion is the name given by the Americans to McCone -- so wrote the France Nouvelle magazine in September 1961 in connection with John McCone's appointment as the director of the CIA.

John McCone was born on January 4, 1902, in San Francisco to a businessman's family. He received his diploma in engineering from the University of California. By the time he reached 26 years of age his profit was running over a million dollars a year. In the prewar years he was a leading man in a giant metallurgical trust; "The Consolidated Steel Company"; "Bethel-McCone Company", a business construction company organized by him in 1937; the ship building companies, "California Ship Building Company", "Marine Ship Company" and "Oregon Ship Building Company". After the war he was president, director and owner of the "Joshua Kendall Company", a ship building firm, and later a director of the "Pacific Far East Line Company".

As a director of such financial organizations as "California Bank" (Los Angeles) "Pacific Mutual Life Insurance Company" and "Industrial Indemnity Company" (San Francisco), he established contacts with the biggest monopolies of the West Coast and became a leading personality in California financial groups. He owns over a million dollars worth of stock of Standard Oil Company of California and represents a combination of the most aggressive monopolies in the military industry of the western states and in the Rockefeller oil empire.

During the time of his services with the Government, which he began in 1947 in the Truman commission for developing policy in the field of aviation, McCone continued to broaden his contacts with the largest monopolies representing the military industry. Drew Pearson wrote about McCone "that on military contacts he made more money from Uncle Sam than anybody else who was working for the Government."

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In 1948, McCone was appointed Assistant Secretary of Defense. In 1950-1951, appointed Assistant Secretary of Air Force, he signed a contract with "Kaiser-Fraser" for developing a transport aircraft known as "The Flying Boxcar" (Betchel owned 4,200 shares of "Kaiser-Fraser").

In early 1950 while in charge of construction of an atom reactor in Oak-Ridge, McCone made contracts with leading monopolies of Wall Street, which were producing companies of the Morgan-Dupont-Rockefeller-Mallon group. He consolidated those connections during his service as the Director of the Atomic Energy Commission of the USA in 1958-1961.

As the Director of the Atomic Energy Commission, McCone was at the head of the American delegation at the MAGATE conferences (International Agency for Atomic Energy) and was the one who signed a treaty between the USA and Euratom in November 1958. McCone's connections with the military industry leave their mark on his political attitude. In October 1950, he recommended to the Congressional Commission for Armament the construction of a system of radar stations around the USA. In 1951 he sent a memorandum to President TRUMAN in which he recommended the development of rockets as soon as possible. After this he was invited to participate in the preparation of General FINLETTER's report, which was designed to coordinate the aggressive bloc led by the USA.

As the Director of the Atomic Energy Commission, McCone opposed the atomic test ban, and in October 3, 1960 at the press conference in Washington, he declared that the USA must resume soon as possible (even before the election of the President) the underground testing of atomic weapons. Earlier McCone had stated that the USA never should have stopped the testing of atomic weapons in spite of existing international treaties.

"Thus all past activity of the new Director of the CIA (wrote the France Nouvelle magazine) was preparing him for the espionage business." US correspondent A. F. STONE, commenting on McCone's appointment as the Director of CIA, wrote that the leading position in our intelligence is given to a representative of the group which more than any other is threatened by changes in the international situation.

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A personal friend of Richard Nixon and of ultra conservative Cardinal MacLuttre, a militant Catholic who, as a member of the governing board of the University of Los Angeles, became known as the organizer of the persecution of liberal professors, McCone represents the most conservative wing of the Republican Party.

The American magazine New Republic emphasizes that the present Director of the CIA "is obsessed with hatred toward Communism and revolutionary changes". Speaking about McCone's attitude toward the USSR, Chalmers ROBERTS, a Washington correspondent, wrote that McCone holds such a dogmatic attitude that it could influence his intelligence reports to the President. Evidence that such a fear is real, is supported by the fact that McCone continued to announce himself as an adherent of Dulles' doctrine of massive retaliation.

"If -- wrote the New Republic -- the organizational abilities and hatred toward Communism is all that is needed for the Director of the CIA, then McCone is the right man. But it is not enough. To give him such power is tantamount to giving a man with bad sight a powerful car to drive, or to engage a piano tuner with a dulled sense of music."

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