

TOP SECRET

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DIRECTOR'S LOG

Noted by [Signature]
[Signature]

8:30 AM, 1 Sept. - 8:30 AM, 2 Sept.

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JCS has forwarded a copy of an interim report by the Continental U.S. Defense Planning Group on the project to provide a more adequate basis for planning for the security of the U.S. JIC has concurred in the intelligence aspects of this report.

To AD/NE.

OSO

The Vice Chief, British Secret Service, told OSO London that, although the world situation has become considerable more threatening in recent weeks, he still believes it unlikely that the Soviet Union will intentionally start a general war. He is more disturbed by the danger of Communist expansion by exploitation of weakness west of the Iron Curtain, feeling that large numbers of non-Communists who are unfriendly to Great Britain and the US will not resist Communism. Dangerously weak spots, he believes, are France, Italy, Egypt, Iran and India.

Gen. Partridge delivered to ADSO a copy of the JCS cable on CIA-FEC relationships in Tokyo and said that he will press for inclusion of secret intelligence activities in the set-up. He also reported that he had found ONI cool to the proposal of using Naval Attache cover for CE officers on the grounds that the State Dept. will not allocate sufficient attache slots.



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SEP 1 1951

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Noted by DCI
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8:30 AM, 4 Sept.- 8:30 AM, 5 Sept.

OSO

The Chief of Spanish counterespionage has expressed a desire for more regular meetings with the Chief of Station, Madrid, and the Legal Attache, showing marked interest in exchange of information on Tangier. Chief of Station, Madrid, feels that further discussion should await the arrival of the official CIA liaison officer in November.

The Senior Representative, Paris, urges that CIA invite the Chief of the French Surete Nationale to visit Washington this fall.

Mr. Charles F. Baldwin, Economic Counsellor of the US Embassy in London, arrives in Washington on 15 September for reassignment to Singapore, where he believes he will be appointed Minister. He would like to receive briefing on CIA activities in the Far East. OSO, London, reports that Mr. Baldwin has been a good friend to CIA in London and in view of his possible future usefulness, recommends that he be given considerable attention in Washington.

OO

Over the holiday weekend, FBID began filing Significant Foreign Radio Comments on Japanese Peace Treaty to the American delegation at the San Francisco Conference. Army Communications Service agreed to handle this traffic from Washington to the Presidio and then on to the American delegation by messenger. The material is filed to the attention of Mr. W. Bradley Connors. Beginning 5 Sept. a round-up will be prepared and sent in time to be in the hands of the American delegation at the beginning of each day's conference.

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8:30 AM, 4 Sept. - 8:30 AM, 5 Sept.

OPC

CIA agent Robert Staton, reported in a generally depressed condition after suffering minor injuries in a jeep accident on Formosa on 26 August, arrived in Pittsburgh, the headquarters of his ostensible employer, on 2 Sept. He reached Washington on 4 Sept. for examination by CIA medical officials. Doctors found Staton's condition and mental outlook improved before his departure from Taipei and he was permitted, therefore, to travel alone.

CIA Frankfurt reports that Joseph W. Reidy, a staff officer engaged in German based phases of operations against Albania, has suffered a physical collapse from overwork. He must take a long rest and will be out of action indefinitely. His duties have been re-assigned.

CIA controlled fishing vessels based at Hoe-do Island, off the Korean coast, recently sank a Chinese fishing boat and captured 2 Chinese and 1 North Korean vessel of the same type. 6 prisoners were captured and brought back to Hoe-do.

State Dept. has authorized CIA to attempt the sabotage of a Chinese Communist owned merchant vessel, either in Manila or Bangkok, using facsimile packages inserted in the cargo. This operation is to be undertaken to determine the feasibility of the technique prior to granting policy clearance for sabotage operations against Chinese Communist vessels outside of Chinese Communist waters generally.

State Dept. has authorized flights over the Chinese mainland by CAT aircraft when they are supplying guerrilla units.

State Dept. has authorized temporary continuance of clandestine support to the forces of Li Mi. Support must be in the form of currency to be passed to Li Mi's representatives within

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OPC Cont'd.

Thailand who will have complete responsibility for the purchase and delivery of food to those Li Mi units remaining in Burma.

State Dept. will advance no further argument designed to prevent the Burmese Government from referring the Li Mi situation to the UN. Within the UN, the US will endeavor to delay decision on the matter until the Japanese Peace Treaty is signed. Any suggestions regarding the possibility of interning Li Mi's troops in Thailand or elsewhere, or the possibility of their repatriation to Formosa, will be raised by UN members other than the US.

A covert CIA agent has been appointed Special Assistant to Republic of Korea President Rhee. This agent has been instrumental in the change of attitude of the ROK Government toward the US Government. It is anticipated that with careful control this agent will develop into an outstanding deep-cover agent in the Far East.

CIA has received for evaluation the detailed specifications on a new sub-machine gun presently under development by the Belgian Army. The reported characteristics of this weapon indicate it may have advantage over existing types used in clandestine warfare.

A CIA agent in Paris reports he has seen evidence that the office of Cardinal Spellman has directed John McCloskey, Director of Catholic Welfare in Europe, to obtain information proving Irving Brown's "close connection with Marxist Socialist" movements in Europe. Brown, European representative of the AFofL, is the cut-out through which CIA advances funds for the support of various Western European labor unions. The CIA

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OPC Cont'd.

agent reports that the instructions to McCloskey also ask for information linking Brown with financial control of radical labor organs and propaganda media. The CIA agent states that, in his opinion, the information collected may be used as a basis for launching a campaign against Brown in the US Congress.

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Noted by DCI
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DIRECTOR'S LOG

8:30 AM, 5 September: 30 AM, 6 September

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OSO

Julius Katz-Suchy, former Polish U.N. delegate now representing Poland at the ECOSOC conference in Geneva, is believed to be out of favor and about to be handled according to the pattern established for former Czechoslovakian Foreign Minister Clementis. OSO and OPC are attempting to exploit this situation by inducing him to defect.

The Security Branch of the Indonesian Police organization has been given responsibility for the protection of President Sukarno. An OSO staff agent, who acts as advisor to the Indonesian Police, has been asked to draft a plan of training and operation.

OSO briefed Captain Donald T. Wilber, who is being assigned as Naval Attache in Athens, on the OSO role in Greece.

OPC

Six CIA agents have been named in a public broadcast by the Bulgarian government as having been convicted of espionage. Most of these agents were infiltrated during May. A detailed report follows.

Associated Press correspondent Williams and photographer Lipp arrived at Saipan on 27 August to report on Interior Department activities there. They are known to have inquired from natives about the Interior Department camp. To date, however, they have neither visited nor requested permission to visit CIA's Saipan paramilitary training camp.

A group of CIA supported Nationalist guerrillas landed on Wu Chiu Island, off the Chinese Mainland, on 30 August. The group will be resupplied by air. Two more leaflet drops

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OPC (Cont)

have been made in southern Fukien province. One additional drop has been made, location as yet unreported.

Negotiations have begun with the government of Panama for the leasing of San Jose Island to serve as a defector disposal center for CIA. U.S. Ambassador John C. Wiley approached the Panamanian Foreign Office on 3 September, requesting the lease on behalf of the U.S. Army, ostensibly for use as an Army Civilian Rehabilitation Center. The Acting Foreign Minister assured Ambassador Wiley that the matter would receive prompt attention. He stated that he saw no reason why prompt approval should not be forthcoming.

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DIRECTOR'S LOG

8:30 AM, 6 Sept. - 8:30 AM, 7 Sept.

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OSO

An interim report from the German Station states that the charges of Brutal interrogation made by the HICOG Director of Prisons are believed generally accurate. CIC personnel and Czech agents attached to OSO roughly interrogated Czechoslovakian Intelligence agents who had penetrated an OSO operation. The investigation is continuing.

On 12 September Marshal Tito will decorate a high-level OSO agent for his services as representative of a U.S. welfare organization.

Swedish Intelligence successfully dispatched three agents by sea to Estonia on 2 September. The dispatch boat successfully evaded a Soviet patrol craft which followed it on the return trip. OSO has supported this operation and will receive the intelligence it produces.

On debriefing by the OSO case Officer, Dr. Charles H. Morgan, prominent classical archaeologist who was briefed prior to a three-weeks' visit to Greece in August, reported that his stay had been too short to permit the broad contacts he had hoped to make among Greek officials or to allow him to collect significant intelligence information.

OPC

The Burmese Prime Minister informed U.S. Ambassador Key on 3 September that the Burmese Cabinet had decided to defer reference on the Li Mi matter to the UN until after termination of the San Francisco conference in order to forestall any possible attempt by the USSR delegation to make political capital of the development. The Prime Minister said the Foreign Minister would notify Ambassador Key before the action is taken ultimately.

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OPC (Con't)

CIA medical officials report that Robert Staton, the CIA agent returned from Formosa after showing signs of mental depression following a jeep accident, is mentally unbalanced and emotionally immature, and has an inferiority complex. The medical officials state, however, that he could possibly prove useful in a training assignment in the U.S. Staton is being granted 30 days leave. During this period, possibilities for a new assignment will be carefully explored.

Another CIA-directed leaflet drop has been made over Fukien province on the Chinese Mainland, bringing to 70,000 the number of leaflets dropped in the seven missions flown by Nationalist aircraft to date.

Dimitri A. Dimitrov, the Bulgarian agent who threatened to expose CIA operations directed against Bulgaria from Greece and thus became a disposal case, has arrived in Panama where he will be detained indefinitely in an Army hospital.

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TO

SUBJECT

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OSO

A Portuguese DP who left Shanghai in mid-August has reported that a former U.S. paratrooper in Chinese military uniform is believed to be collaborating with the Chinese Communists in Shanghai. The man lives at the former Shanghai address of Hugh Redmond, a stay-behind staff employee previously reported arrested and possibly executed, who was also a former paratrooper. OSO is attempting to check the report.

The British Security Service (MI-5) informed OSO that there is no basis for legal action against David Floyd, a former Foreign Office official suspected of espionage who voluntarily disclosed Soviet Intelligence associations but disclaimed any transmission of confidential information. His testimony, however, implicated Arthur Wynn, employee of the Ministry of Fuel and Power, who is being investigated.

OSO representatives were briefed by Navy on security screening procedures to be established for U.S. citizens and aliens evacuated to the U.S. in the event of war. CIA will be represented at meetings of the Interdepartmental Committee on Internal Security relating to this matter, in order to arrange for prompt entry of CIA personnel in any emergency situation.

The British Secret Service (MI-6) refused to release but offered to share the services of an agent in Spain who applied for employment by OSO. The OSO London Station will reply that CIA has no interest in a joint operation of this kind.

Ambassador Murphy has urged the Department of State to approve a forthcoming OSO request to open a station in Antwerp with a complement of one officer and one clerk. Ambassador Murphy's

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OSO (Con't)

recommendation stresses the importance of Antwerp as a world port and its constant use by Soviet and Polish ships. He also notes its "great potential value as an important port for supplies for U.S. Forces in Germany."

OPC

Headquarters has received from the field for chemical analysis, a sample of what is believed to be a Soviet drug, medicine, or similar compound, intended by them for aggressive use. The drug was obtained from two Soviet agents who defected while on a mission to kidnap an individual cooperating with a CIA cover organization in Western Germany.

Because of delays encountered in commencing the training of Albanian W/T operators in Germany, and the relatively slow progress made to date by the men taking training there, no trained operators will be ready by the dates scheduled during September for agent air drops. Consequently, the September infiltration schedule for Albania has been postponed for one month.

DD/P

Ambassador Briggs has complained to the State Department that his First Secretary, Mr. Schnee, who unexpectedly called at the DRC(G) on 27 August, was refused permission to interrogate 2 Czech defectors who had only reached the DRC on 23 August. After consultation, the State member of the IDC advised Ambassador Briggs that defector procedures do not permit direct access to defectors by other agencies in the field until CIA has established their bona fides and has reached a decision not to use them operationally. Interrogation results, as they become available, are being forwarded to Ambassador Briggs. COPY # 1 OF 5.

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MISCELLANEOUS

DCI has approved Mr. Gordon Dean's request that (a) his representatives be allowed to be present during our forthcoming conference [redacted] (b) these representatives hold preliminary discussions with our people prior to the conference which begins on 10 September.

Mr. Gray has circulated to the members of the Board for approval our modification ~~in~~ immediate plans to establish coordinated psychological courses of action in the event of permanent break-off of Korean Armistice negotiations. This plan has been considered by the alternates for members of PSB. Mr. Dulles has requested Mr. Wisner to prepare comments for DCI.

TRNG

Discussions were held by members of D/QM with representatives of the Psychological warfare Section and G-2, D/A regarding developments in connection with the Army's proposed special forces training program. The inauguration of such a program is not definitely assured and the possibility of closing TC#1 remains dependent upon the outcome.

Conference was held with representatives of the Air Force regarding procurement of aircraft for TRC; formal request has been prepared and submitted through channels.

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DIRECTOR'S LOG

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OSO

Ambassador to Yugoslavia Allen stated to the Chief of FDP/OSO in Trieste that he regretted the DCI had had to confer with General Popovic, whom he described as arrogant, stupid, and unimportant. Mr. Allen added that Mr. Kristovich, soon leaving for Belgrade to establish liaison with Yugoslav Intelligence, should bring a letter of introduction from the DCI to Interior Minister Rankovich, to whom he would then introduce Kristovich in a personal meeting. The Ambassador commended Mr. English, former Chief, OSO Belgrade, highly and praised the work of OSO's principal U.S. agent in Yugoslavia.

The Senior Representative in Paris believes that there is small chance that the French will agree to consider at this time CIA plans for wartime bases in French North Africa, owing in part to US political policy in that area. The Chief of French Intelligence feels that a detailed request now would be premature, citing radio installations as an especially sensitive subject.

Following his disappearance on 7 September while in an upset mental state, Ralph Hamilton, Senior CE Reports Officer in the Italian Branch of FDP/OSO is being sought in Washington and San Francisco. Both I&SS and the Medical Section were notified at the first indication of his abnormal state of mind. Personnel Relations is being kept informed.

Problems of US and British relations with the ^{ZIPPER} ~~German Intelligence Service~~ will be discussed in London on 18 September by representatives of OSO and the British Secret Service.

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9/11 - Lec

DIRECTOR'S LOG

8:30 AM, 10 Sept. - 8:30 AM, 11 Sept.

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OSO

Photocopies of two official documents on Czech planning of the Oatis case have been recovered. Dissemination will be deferred pending receipt of the film itself. Detailed plans are being prepared for further operational exploitation of the two Czech defectors who furnished this material.

An official of the Yugoslav Embassy in Paris, who has been conducting liaison with the French Communist Party, has defected through Mr. Charles Bohlen. OSO Paris is arranging for his interrogation in Germany.

Mrs. Antonio Riva, wife of an Italian executed for espionage by the Chinese Communists last month together with his associate, Yamaguchi, has stated to the press in Hong Kong that her husband was innocent of espionage but Yamaguchi was "a very consistent informer for the successor to OSS". Yamaguchi was in fact an agent of the ESD #44 organization but has had no contact with CIA since the Communist occupation of Peiping. Colonel Barrett, USMA in Taipei, formerly USMA in Peiping, is reported seeking a meeting with Mrs. Riva. OSO believes it probable that Colonel Barrett recruited Yamaguchi, together with Riva and others, in Peiping and will attempt to quash further publicity about the net.

The AD/SO arrived in Tokyo on 8 September.

OPC

Chinese Third Force Leader, Chang Fa Kwei, has reason to believe that there is a Communist plant among the second class of students now at CIA's Saipan para-military training base. Chang does not know the suspect's name but knows him to have been recruited by Wu Shao Ming who saw him depart from Tokyo Airport. Chang believes the suspect was sent from the Ta Hwa Watch Company

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OPC (Con't)

794 Nathan Road, Kowloon. Chang has requested his deputy at Saipan to investigate, and his deputy in Hong Kong to arrange for an investigation of Wu Shao Ming.

DD/A

The Senate Appropriations Committee has reported the Department of Defense appropriation for fiscal year 1952 to the Floor of the Senate. They have included the full amount of the sums requested for CIA in this appropriation. This will eliminate the present necessity for a meeting with Senators O'Mahoney and Ferguson on CIA appropriations for fiscal year 1952.

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8:30 AM, 11 Sept- 8:30 AM, 12 Sept.

Noted by DCI
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OSO

Bucharest authorities brought to trial Eraldo Pintori, a clerk of the Italian Legation, with nine others on charges of "espionage operated by the Vatican together with American, British, Italian, and Swiss officials". Pintori was a member of a courier chain using Italian diplomatic pouch channels and is known to have transmitted Vatican funds to the former Papal Nuncio in Bucharest. He was known to the former Chief, OSO Bucharest, but was not used operationally. He is believed to be unaware that OSO exploited the courier system for a time.

The British High Commissioner to Southeast Asia recently sought a meeting with the Sultan of Jogjakarta to offer British assistance in an intelligence training program. The Sultan, a key figure in OSO plans to gain eventual control of Indonesian security and intelligence forces, declined on the grounds that he could not, as a private citizen, reply to such an offer. OSO Djakarta believes he prefers to cooperate with the U.S.

A Chinese claiming to represent a minor Chinese Political party has proposed to OSO Through a State political officer in Hong Kong that the U.S. support a conference in Thailand which would declare opposition to the Communist regime in China and undertake anti-Communist political and propaganda work. Primary OPC interest has been recognized in studying the proposal, and State has been advised for the information of its Policy and Planning Staff.

After presenting a letter to D/DCI from General Truscott on 10 September, Mr. T. L. Squier of HICOG was scheduled to have meetings with OSO on Tuesday morning, OPC Tuesday afternoon, and OCI Wednesday.

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OSO (Con't)

FBI representatives discussed FBI interest in U.S. outlets of the ZAKO paper mill in Austria. The FBI will make an effort to obtain information on ZAKO sub-sources overseas through Tiber Eckhardt, FBI contact in the U.S.

Colonel Robert A. Schow told Mr. Thayer in Paris that "his chiefs are very well satisfied" with summary reports of current intelligence which OSO submits to him through the Paris Station for Generals Eisenhower and Gruenther.

Four Zipper officers, the second group to visit the U.S., arrived in New York on 9 September. They will be escorted on a trip to the West Coast, returning to Washington on 23 September.

OPC

For breaches of security and publicized marital difficulties, Philip Chadwick, a staff agent handling communications at CIA's Saipan paramilitary training base, has been ordered to return to Washington.

A contract was signed yesterday with A.D. Ring & Co., a radio engineering concern, for the rehabilitation of a radio transmitter on Formosa which will be used to beam propaganda broadcasts to Red China.

The Chinese Nationalist Air Force has dropped 6,000 leaflets in a CIA-directed operation over Chang Chou on the Chinese Mainland. A Nationalist guerrilla contact team in the vicinity has reported the local population "very excited" by the drop.

On 9 September, a successful two-way radio contact was

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OPC (Cont)

made with the UHVR-UPA (Ukrainian Resistance Movement), although no messages were exchanged. This is the first contact with the Ukrainian partisan operator since 7 August.

A six-man CIA-controlled Albanian agent team crossed the border into Greece on 3 September. During its three-week stay inside the country, the team was involved in a battle with Albanian security forces in the region between Gramsh and Voshkopoje and killed two of the enemy without loss to itself. Matiani, the team leader, brought out valuable Albanian Communist documentation which was removed from the bodies.

The team disobeyed instructions by operating in an area allotted to the British by previous agreement and becoming involved with the enemy before becoming properly established. In addition, for reasons as yet unknown to Washington, it failed to display proper recognition fires for an attempted resupply drop.

The operations staff of the British VALUABLE mission is reportedly concerned. The resulting alert of Albanian security forces may have disrupted the effective operation of a British-controlled team in the same area. The OPC Albanian field chief has recommended disbanding the CIA-controlled team but has requested that its two top men be retained for future hit-and-run operations. He is being instructed to retain their services for special missions and to use his initiative in planning such missions.

It was reported on 8 September that the September schedule for infiltrations into Albania had been postponed one month due to the lack of trained W/T operators. A subsequent

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OPC (Con't)

cable from the OPC Albanian field chief reports that "several" one and two-man overland infiltrations are now scheduled for this month.

SPARROW has reported that pressure is being applied by the COCK ROBIN organization on the military commander of the French occupation zone in Austria to effect the ouster of the Russian Repatriation Commission in Vienna. He further states that support by Foreign Minister Robert Schuman is necessary to secure this objective. In response to a CIA suggestion, the State Department gave oral assurances that Secretary Acheson would be briefed on the matter with a view to discussing it with M. Schuman following the San Francisco conference.

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Noted by DCI
9/13 - lca

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OO

The sealed Trotsky papers held by the Harvard Corporation have been opened by arrangement between the Corporation and the Boston Office of Contact Division. A preliminary examination indicates that there are some 30,000 documents exclusive of printed matter. A sampling of about 1,500 documents gives information about people not previously known to be close to Trotsky. The entire lot is considered by Harvard authorities to be of great value. Dr. Clyde Kluckhohn has asked for a research assistant to aid him in the examination of the documents. Contact Division is asking both OSO and OPC to suggest qualified candidates.

OSO

The team of Ukrainian Partisan agents dispatched last May to establish communication with the Ukrainian underground movement reported by Radio that MVD forces have cut it off from underground headquarters and requested, in view of the extremely difficult position of the resistance elements, that no further airdrops be made this year.

Mr. William Dunham, head of the State Department Spanish desk, yesterday informed OSO that Ambassador to Spain Stanton Griffis will be available in Washington on 13 or 14 September. Mr. Dunham implied that the DCI might wish to take the opportunity to talk with Mr. Griffis.

OPC

Further debriefing of the six-man OPC-controlled Albanian agent team which crossed the border into Greece on 3 Sept. has revealed that the Communist leader of the Albanian

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region of Gramsh was among the victims killed by the team in a clash with Albanian security forces. CIA's Albanian language clandestine radio, which is expected to go on the air from Greece within the next few days, plans to exploit this assassination.

A C-54 aircraft which has been reconditioned for CIA use in German-based air support operations is being ferried to Germany by a USAFE crew and is scheduled to leave Westover for Wiesbaden today.

The 1951 national fund raising campaign for the CIA-controlled Crusade for Freedom opened yesterday. Among the speakers at a luncheon opening the New York City fund drive were vice-President Barkley, David Sarnoff, and Harold Stassen.

MISCELLANEOUS

Comments on ONE Special Estimate No. 5 (Vulnerability of Communist China) prepared by a senior OSO representative in Manila and Hong Kong for our Ambassador to the Philippines at his request, have been forwarded to AD/NE by AD/SO.

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DD/P

A favorable reaction to the San Jose Civilian Rehabilitation Center has been reported by our station from the cabinet of the Panamanian Govt. which considered the matter on 11 Sept. The lease is now under consideration by Dr. Alfaro, legal advisor to the President.

A project covering construction, equipment, etc., required to place this property in operation, estimated to run about \$1,200,000, has been prepared and will be presented to the PRC.

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OSO

Chief of OSO Manila, the DCI's personal representative to President Quirino, reported that the long-apparent incompetence of the top leadership of the Philippine National Intelligence Coordinating Agency (NICA) requires immediate replacement to preserve the NICA clandestine intelligence collection section as OSO's most valuable vehicle for penetration operations in that area. OSO must assume the calculated risk of losing its present favored relationship with NICA by appointment of a less friendly or even more incompetent head and is instructing the Station Chief to present the facts to President Quirino together with a slate of candidates suggested for the position. OPC will support this action through its close relation to Philippine Defense Secretary Magsaysay.

Taking advantage of the U.S. Ambassador's absence, the Chinese Ambassador in Manila has scathingly denounced a valued Chinese agent of OSO to the U.S. Counsellor of Embassy, accusing the agent of fomenting trouble in the Chinese community by attempting to build an anti-Communist "third force" and making veiled threats of drastic action to suppress activity considered politically subversive by Chinese Nationalists. OSO believes that the threats are sincere and possibly extend to assassination. The Counsellor will reply that the agent's presence in the Philippines is the result of an understanding between Ambassador Cowen and President Quirino, that his activities do not include "third force" political work, and that any mishap befalling the agent would be most distressing.

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OSO (Cont)

Testimony in the current Bucharest espionage trials has accused two members of the U.S. Legation of complicity. The fact that the former OSO Chief of Station in Bucharest has not been mentioned seems to indicate his success in operating securely under very difficult conditions.

The European Director of Information for Radio Free Europe has agreed to remove the RFE representative in Trieste within six weeks. The latter has engaged in unauthorized intelligence activities to the prejudice of OSO operations in that area.

Roger Wybot, Chief of French internal security (ST), has complained to CIA representatives of alleged U.S. interference in North African affairs, saying that the U.S. Ambassador to Egypt, Jefferson Caffery, is "openly encouraging North African nationalists and personally dealing with nationalist agents." This criticism of U.S. policy in North Africa follows other similar indications received recently through French intelligence channels and has been associated with CIA requests for bases in that area.

Wybot has also advised that he has been assigned to prepare the French reply to a SHAPE request for French suggestions on NATO peacetime counter-espionage organization. He will propose an organization similar to the International Criminal Police Commission.

Colonel Betts reports that Major General Charles Haydon would welcome a CIA invitation to visit Washington in October. Colonel Betts suggests the invitation await the outcome of war planning discussions in London.

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(CONTINUED) COPY # 1 OF 5.

SEP 13 1951

TOP SECRET

DIRECTOR'S LOG

8:30 AM, 13 Sept. 8:30 AM, 14 Sept.

DATE OF DOCUMENT RECEIVED FROM

TO

SUBJECT

ACTION

OPC

General Phao, Thai Chief of Police and key CIA-backed official in the Thai government, had meetings in Washington 12 September with CIA officials and with Generals Bolling and Taylor. He lunched with representatives of the International Police Force and toured the FBI. On 13 September, he toured the CIC detachment at Fort Holabird. Meetings between Phao and CIA officials have been satisfactory on all points. He has made two statements of significance. He categorically assured General Taylor that there will be no more internal disturbances in Thailand. He is undertaking to bring the Thai Navy into the "Inter-Strategy Board" and make it a full member of the governing team.

Nationalist guerrilla forces C-1 and C-6, elements of TENTACLE No. 1 of CIA-directed operation OCTOPUS, landed on the Chinese Mainland on 6 September. C-1 engaged Communist forces soon after landing and suffered 30 casualties. C-6, which landed at a nearby point with 150 men, was engaged by Communist forces the following day at Lu Lung Shan and reported 19 Communists killed.

TENTACLE No. 2 of Operation OCTOPUS left Chin Men Island for the mainland on 7 September. On 8 September, Nationalist sources reported that the Communists possessed detailed information on TENTACLE No. 2 including landing point and size of force. The Communists were reported rushing troops to the landing area. TENTACLE No. 2 was informed while enroute and instructed to return to base without landing.

(CONTINUED) COPY # 1 OF 5.

SEP 13 1951

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DIRECTOR'S LOG

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 13 Sept - 8:30 AM, 14 Sept

OPC (Continued)

A CIA agent in Iran is taking steps to counter the demonstrations being planned by the Tudeh party for the Moslem Festival of Muharram (October) in an effort to stage a comeback following Tudeh reversals in July. The Tudeh party, according to our agent, is preparing to protest against the mistreatment of Tudeh members and to complain to the central government that Iranians in general are living under oppressive conditions. The CIA agent cannot stop these demonstrations, but, with funds and other assistance furnished by CIA, is arranging for his own agents to stage counterdemonstrations.

A W/T message was received on 10 September from the agent team dropped into Lithuania in April 1951. The message was from the second in command; the team leader having been reported previously as killed in an encounter with MGB security forces. The agent reports that he is expanding his activities, increasing his contacts and preparing for the reception of additional agents. He asks for assistance, to include a radio operator and propaganda specialist, a portable printing press and money, preferably in rubles.

A preliminary report from Athens states that the aircraft used in their resupply drop to an OSO team in Albania on 11 September returned safely. There is no report yet as to the success of the mission.

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DIRECTOR'S LOG

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15 Sept 51 - OR

8:30 AM, 14 Sept. - 8:30 AM, 15 Sept.

DATE OF DOCUMENT RECEIVED FROM

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W.M.

OSO

In personal conversation with the former OSO station chief in Manila, Ambassador Myron M. Cower remarked that he intended to call on the Deputy Director within a few days to express his continued interest in the coordination of U.S. intelligence in the Philippines.

Acting at the suggestion of the Deputy Director on information that the head of the Czech delegation to the San Francisco conference might be induced to defect, OSO worked out means of approach and reviewed the proposed operation with FBI representatives. The FBI decided that Mr. Sekaninova's departure from the U.S. today leaves insufficient time to mount a sound operation.

Successful W/T playback of a Bulgarian agent in Greece during the past year seems confirmed by interrogation of another agent recently arrived from the same headquarters. Continued operation with 2 double agents offers improved prospects of controlling Bulgarian intelligence activities in Northern Greece and a channel for eventual deception. Joint U.S.-Greek playback of a Communist guerrilla agent based in Rumania will reinforce the operation.

In order to strengthen its control of the Indonesian Intelligence Service, OSO proposes to invite for conversations and orientation in Washington Raden Sumitro Kolo Paken, Governor of the Ministry of Interior, advisor to the Indonesian National Police, and right-hand man of the Sultan of Jogjakarta in intelligence and security matters.

The joint OSO/OPC mission which entered Albania on 9 August returned to Greece on 3 September after a brush with Albanian border security forces.

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DIRECTOR'S LOG

8:30 AM, 14 Sept. - 8:30 AM, 15 Sept.

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OSO Cont'd.

The French Secret Service advised OSO Paris that Dr. Danios Morali, head of its psychological technical service, wants to visit the U.S. to study CIA methods of personnel selection and psychological aspects of security, including use of the "lie detector".

Brigadier Gambier-Parry, Director of Communications for the British Secret Service and Foreign Office, will visit Canada and the U.S. in late October. OSO London reports that he would like to meet the Director of Communications and other CIA officials in Washington.

OPC

10 members of a CIA-controlled guerrilla warfare team in North Korea attacked the Chonnam mine at Kwasan on 28 August. They claim destruction of a laboratory machinery shed and report 4 mine guards killed, 3 wounded and 3 taken prisoner. The team's base was attacked by 27 men between 2 and 4 September. 2 of the enemy were killed and 3 wounded. The team suffered no losses. In another operation, the team has claimed the destruction of a high tension cable and a railroad bridge in its area. The Air Force has been requested to confirm this claim.

Another CIA-controlled North Korean guerrilla warfare team has radioed that its leader and 1 other member were killed and 3 wounded in a fight with enemy forces between 4 and 7 September.

7 CIA-controlled Korean guerrillas based on Hoe-do Island attacked a ferry steamer off Yongampo on 6 September, killing 3 North Korean soldiers and capturing one of the leaders of the local Fatherland Defense Committee.

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OPC (Cont'd)

On a scouting mission to Shi Cheng Tao, the CIA-controlled Korean fishing vessel SEA DRAGON captured a Chinese fishing boat and its nine crew members five miles off shore on 6 September.

Handbills opposing the Japanese peace treaty were distributed by Communists in Tokyo on 5 September. As a retaliatory measure, CIA prepared leaflets that closely resembled them in form and content but altered so as to make their Communist origin more obvious and nauseating to the Japanese. The new leaflets were distributed under cover of darkness in Tokyo and beach resort areas.

The Chinese Nationalist Air Force dropped 10,000 leaflets in a CIA-directed operation on 4 September over Shihma in southern Fukien province, the area against which TENTACLE NO.1 of guerrilla warfare operation OCTOPUS is directed. The Chinese Communists have been reported rushing collectors to gather the leaflets dropped and issuing orders to the people not to read them.

This week's editions of LIFE and TIME publicized a map of slave labor camps in the USSR prepared by the CIA-supported Free Trade Union Committee of the American Federation of Labor. The map caused an incident at the San Francisco conference when a copy was handed to Soviet delegate Gromyko. Several hundred copies were posted on Berlin walls during August as part of CIA-supported efforts to counteract the Communists-dominated rally of the World Federation of Democratic Youth.

DD/A

The Comptroller's office completed the transfer of \$10,000,000 to MDAP funds this date. The funds will be allocated to OPC for Projects BOMARQUE AND HIMERLIN. This transfer represents an advance from a \$50,000,000 item included in the MDAP program for transfer to CIA during this fiscal year.

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DIRECTOR'S LOG

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MISCELLANEOUS

Mr. Gordon Gray has requested DCI recommendation on the desirability of placing on the agenda of PSB possible CIA covert support of FEC Psychological Warfare plans.

DD/P

Mr. Gordon Gray has requested CIA comments on the "National Psychological Warfare Plan for General War" since, at the direction of the President, the NSC has furnished this paper for the consideration of PSB. (Note: This plan was prepared by the Interdepartmental Foreign Information Organization and commented upon by the JCS.)

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DIRECTOR'S LOG

8:30 AM, 15 Sept.- 8:30 AM, 17 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

A penetration of the Greek Communist Party yields evidence that "a new surprise" along the lines of the Greek Communist murder of CBS correspondent George Polk in 1948 is being organized. No further details are available. OSO is making every effort to establish the authenticity of the penetration.

U. S.-British-Greek discussions of stay-behind operations have been suspended owing to Greek General Staff insistence on locating the main communications base in Greece, directly contrary to sound stay-behind doctrine. The currently unstable political situation in Greece makes immediate resolution of this problem impossible.

Pakistan Prime Minister Liaquat Ali Khan has told U. S. Ambassador Warren that he wants intelligence liaison confined to contact between his Director of Intelligence and the OSO State-cover representative, with disagreements to be resolved by himself and the Ambassador. The Ambassador will so advise the DCI. The Director of Pakistan Intelligence also contemplates eventual assignment of an intelligence officer to Washington for liaison with CIA, a move which OSO will discourage.

A member of a dissident group of French Communists has approached an officer of OSO Paris to request financial aid for the group. The Paris Station, in requesting joint OSO/OPC consideration of the matter, emphasizes that Mr. Irving Brown must play no part in the operation.

General Effisio Marras, Italian Chief of Staff for Defense, now en route to Ottawa for NATO talks, will be in Washington 22-25 September and hopes to meet with the DCI. He may seek a CIA invitation to Gen. Umberto Broccoli, Chief of the Italian Combined Intelligence Services, to visit the US since the latter has been a guest of French and British Intelligence.

Captain Guy M. Liddell, Deputy Director of the British Security Service will be available for discussion with CIA officials during a visit to Washington 17-19 September.

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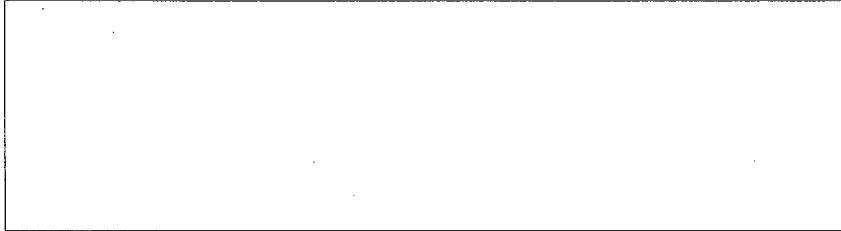
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OSI

The Air Technical Intelligence Center at Wright-Patterson Air Force Base has requested a much closer working relationship with CIA and has extended an invitation to OSI to participate directly in ATIC activities.

The Secretary of Commerce has approved the establishment of a general license for the export of technical data.



ORR

The AD/ORR has spent mornings this week at the National War College participating in the Economics Program at the request of Gen. Bull.

TRAINING

Conference held with Adm. Johnson, 5th Naval District relative to logistical support of ISOLATION through Navy Supply Depot at Norfolk. Revolving fund to reimburse Navy for expenditures on CIA behalf.

Conferences have been held with Mr. Sullivan and Mr. Mollenkopf of Educational Testing Service to plan for possible research contracts during 1952-1953, involving selection tests and procedures for the Career Corps Program.

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TRNG. (Continued)

The CIA offices have interviewed the 16 professional trainees who will graduate from the first 3-months course at the CIA Intelligence School on 28 September, and have expressed approval of the high type young men and women comprising this first class.

MISC

The American Red Cross has expressed appreciation for the "grand cooperation" of CIA personnel in the recent Blood Donor Campaign.

In a letter to Mr. Armstrong, Dr. Langer commends the Research & Analysis Branch, Office of Intelligence, HICOG, for the excellence of its reporting on political developments in Western Germany. Dr. Langer also noted that as a consequence of a projected general reorganization of intelligence responsibilities in Germany, this unit will be assigned to the Political Affairs Office, HICOG.

FBI has requested that we furnish them our instructions to the "Dutchman" now in the U.S.

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DIRECTOR'S LOG

8:30 AM, 17 Sept. - 8:30 AM, 18 Sept.

Noted by DCI
9/18 - Lee
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Mr. William Huie, Editor of the American Mercury, in both this magazine and the current Cosmopolitan, has reported how Mr. Forrestal employed a \$50,000 "bribe" to help settle the French railway strike in 1947. Mr. Huie notes that:

Col. Hansen will coordinate action with DD/P and DD/A.

- a. This incident has been omitted from the Forrestal papers now being published by the Herald-Tribune Syndicate.
- b. This money was carried to France by a Naval intelligence agent and Admiral Hillenkoetter arranged to make these contributions deductible.
- c. Le Figaro in Paris has purchased rights to the Forrestal papers and is disappointed about the omission of the above "bribe".

Huie has requested us to either confirm or deny this story.

OSO

A Soviet defector recruited in Germany and trained as a W/T agent in Japan parachuted into the USSR near Khabarovsk on 15 September from a sterilized B-26 manned by a Japanese agent-crew. No ground reaction was reported.

Mr. Daniel D. Hunter, former OSO officer being reemployed in Paris by CIA, leaves for London today to be briefed by Colonel Betts in preparation for duty as CIA member of the Secretariat of the SHAPE Clandestine Committee.

OPC

The Chinese Nationalist Air Force dropped 10,000 leaflets on Ch'uang Chou on 10 September in another CIA-directed psychological warfare operation against southern Fukien province.

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OPC (Cont'd)

A successful resupply drop was made on the night of 14 September to a two-man agent team operating in the Kukes (northern) area of Albania. This is the third time that this team has been successfully resupplied by air.

The British have received another message from one of the two British-supported teams dropped into the western Ukraine in May. According to the message,

- a. The agent has been unable to contact the Ukraine resistance commander but indicates that the reaction of the Ukrainians whom he has been able to see is favorable to the British and Americans and their proposals.
- b. There are indications that the other British-supported team was wiped out in a clash with Soviet security police.
- c. Data on safe contact points requested by the British can be made available from the Ukraine.

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OSO

A purported member of the Yugoslav Consulate in Duesseldorf, Germany, has approached ZIPPER directly with an offer to exchange Yugoslav intelligence on Soviet satellites for data on Sovzons Germany order of battle. The matter is being studied.

ZIPPER Has dropped a double agent operation against Soviet Intelligence as too cumbersome to justify its dubious value. Since one of the two ZIPPER sources involved is a former British agent, the British had asked to clear all buildup material.

OPC

The balloon launchings recently conducted from a site near Munich by the CIA-controlled Crusade for Freedom in conjunction with seven other organizations carried 10,000,000 leaflets into Czechoslovakia and 700,000 into Poland. The CIA-controlled Radio Free Europe gave close support to the operation in its broadcasts. The launchings were well-managed and meteorological advice excellent. World press and radio coverage was extensive.

Reports from behind the Iron Curtain, from recent defectors and sources considered reliable, indicate effective distribution in Czechoslovakia. Leaflets were showered in great numbers on Prague and on the entire surrounding area. No reports have been received on launchings into Poland.

Radio Moscow and the Prague government reacted strongly. A State Department source reports that one of the passengers on the Czech train which made a break for freedom on 11 September said his decision to escape was largely influenced by RFE broadcasts and the balloon-borne leaflets. In a recent telegram

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OPC (Cont'd)

to the State Department, U.S. Ambassador Briggs in Prague recommended more balloon launchings to counter increasingly effective jamming of VOA and RFE broadcasts by the satellite powers.

OPC Taipei cabled OPC Hong Kong as follows on 17 September:
"Security question has arisen concerning Chennault's secretary which could be serious. Will hold off investigation until you (OPC Hong Kong Chief of Station) arrive here. Suggest you come as soon as feasible."

Headquarters has no further information on the matter to date.

On 10 and 11 September a Nationalist guerrilla element of CIA-directed TENTACLE No. 1 completed a successful diversionary raid on the Hsialu Peninsula. The force took ten prisoners and a quantity of arms. Air reconnaissance showed two buildings afire. In conjunction with the guerrilla raid, Nationalist planes dropped 24,000 leaflets over the area.

Chinese Nationalist agents dispatched to the mainland on 23 August from Pishan Island to seek information on a guerrilla group in northern Cheklang report finding the group still active and operating with another group of 100 men in the area. The combined force is reported to have inflicted 50% casualties on a Chinese Communist battalion in recent operations and to have almost annihilated two companies of the Communist 309th Regiment.

ADMINISTRATION

Senator Homer Ferguson stated in an interview with the New York

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ADMINISTRATION (Cont'd)

Times of 16 September that he has asked CIA for information that the Communists were extorting cash subsidies and financial support from certain Italian industries. Senator Ferguson has now written the CIA Legislative Counsel regarding this matter. Preparation of a reply is being coordinated through the Deputy Director and DD/P. When all pertinent CIA information on this subject has been correlated, the Deputy Director will make recommendations as to appropriate reply to Senator Ferguson.

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OPC

A final report has been received on the results of a successful diversionary raid on the Hsailu Peninsula on 10 and 11 September by a Nationalist guerrilla element of CIA-directed TENTACLE No. 1. The element killed 40 Chinese Communists and captured 18. It also captured 38 weapons and an assortment of documents, newspapers and stamps. Seven buildings were destroyed during the raid.

The field is investigating a report that a South Korean Army Lieutenant who participated, presumably unwittingly, in the recent Rome conference of the CIA-supported International Federation of World Veterans' Organizations may have suspicions that the U.S. government financed his activities and is contributing to the support of the Federation.

Several thousand copies of a miniature edition of the National Committee for a Free Albania newspaper, SHQIPERIA, were air dropped over Albania on the night of 17 - 18 September. The miniature edition contained an article answering charges against the NCFA distributed by leaflet earlier this summer by the Yugoslav-controlled Albanian exile committee. No opposition was encountered during the operation, although the muzzle flashes of anti-aircraft guns were observed at Tirana.

NEWSWEEK devoted the cover and a special article in its 17 September issue to the activities of Radio Free Europe.

From a second cable addressed to the OPC Chief of Station in Hong Kong by CIA Taipei with regard to Gen. Chennault's secretary, Headquarters surmises that the secretary, acting as a courier, passed a message to EGMARQUE headquarters which was obviously intended for another party. The message read:

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SEP 19 1954

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DIRECTOR'S LOG

8:30 AM, 19 Sept.- 8:30 AM, 20 Sept.

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OPC (Cont'd)

"To Bill. Ref Candle. Bad news important as good news. Report by phone. Will be in Taipei. (signed) 74."

Two points are raised by CIA Taipei in the second cable: For whom does she work? Does she lack responsibility and security in handling messages? Some messages for BGMARQUE could be delivered to the wrong recipient. CIA Taipei is ceasing to use the secretary entirely and has recommended full investigation.

OSO

The Chief Operations Officer of CIC/Trieste conferred with an unidentified official at Headquarters of the Yugoslav Ministry of the Interior in Ljubljana on 12 September and proposed exchange of information on Soviet satellite countries with Yugoslav Intelligence. OSO Trieste is being instructed to point out to G-2 TRUST that uncoordinated activity of this kind is outside the jurisdiction and competence of CIC and should be discontinued.

An OSO representative reviewed the case of two recent high-level Czech defectors with the Czechoslovakian Desk of State Department, emphasizing that its operational aspects continue to require their careful handling but adding that OSO would nevertheless make them available for special interrogation by Mr. Schnee of the U.S. Embassy in Prague.

Rear Admiral Henry B. Garrett, Senior Military Attache in Formosa, is returning to Washington on temporary duty for reassignment. Since he was extensively briefed by Admiral Hillenkoetter before leaving for Taipei, Admiral Garrett may call on the DCI.

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OSO (Cont'd)

OSO will participate with Italian Ministry of the Interior officials in a Joint operation covering Communist activities in the port area of Genoa on a three-month trial basis.

After a month in Bulgaria, a team of experienced OSO agents returned to Greece with OB coverage of the eastern Greek-Bulgarian frontier.

Two members of an agent team dropped into Albania four weeks ago have returned to Greece.

Ambassador to Eire Francis P. Matthews, in conversation with the prospective Chief of OSO/Dublin, indicated that he had acquired confidence in the capabilities of CIA during his service as Secretary of the Navy.

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8:30 AM, 20 Sept. - 8:30 AM, 21 Sept.

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OSO

The British Secret Service is clearly disposed to accept ZIPPER as the future German Intelligence Service as a result of discussions with OSO representatives in London on 18 September.

Mr. Ray Tod, of G-2, discussed with OSO the Civil Security/Counter-intelligence conference scheduled by SHAPE for 15 October in Paris and stated that the U.S. military services had not yet formulated their views. Informed generally of the CIA position in designating an observer, he indicated that General Bolling might consult D/DCI on the matter.

An OSO Chinese agent parachuted into Honan Province on 19 September. A second operation directed against Mukden failed when the agent refused to jump. Both flights were without incident.

The Air Attache in Dublin will be unable to deliver the DCI's letter of 7 August to Colonel Bryan, Chief of Irish Intelligence, until his return from Scotland in late September.

OPC

General Chennault's current secretary is an American citizen named Ida Susan Boull. Headquarters assumes that she is the secretary referred to in the exchange of cables in the field. Headquarters has no information on "candle", the subject of the message the secretary passed inadvertently to BGMARQUE headquarters, and is not aware of any other use being made of Mrs. Boull except as a cut-out between BGMARQUE, CAT, and an OSO agent in Taipei.

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OPC (Cont'd)

The field has been requested to confirm that Mrs. Boull is the secretary involved and to cable a summary of security breaches she has committed plus any available information regarding Chinese Communist or other pressure on her due to her husband's situation.

Mrs. Boull's husband, former CAT chief pilot Robert Lawrence Boull, was captured by Chinese Communists in Yunnan in December 1949 when Nationalist forces which CAT was supplying defected en masse. He was held in Kungtse for six months and then moved to Kungming from which he has been able to pass reports of his well being at intervals. Mrs. Boull was granted an operational security clearance in August 1950 with the proviso that she be closely supervised and controlled in view of her husband's situation. An operational clearance for her husband was held in abeyance in August 1950 pending release by the Communists. There was no derogatory information in government files on either Mr. or Mrs. Boull at that time.

Miss Nora McKenn, a British subject in Bombay allegedly employed there by the USIS, has written a number of letters destined for Congressman Rogers of Florida and the parents of Roger Grayson Killam. Killam, her ex-common law husband and a former Lt. Col. in the Fourteenth Air Force, was reportedly engaged in smuggling activities with the Communists in Southeast Asia after his demobilization. The letters urged an investigation into the death or disappearance of Killam in Bangkok on 4 February 1951 and suggested that further information could be obtained from Peter Joost or Willis Bird, identified in the letters as employees of CIA, or from General Walter B. Smith.

Joost is a deep cover CIA agent in Bangkok. Bird is cooperating closely with CIA there. Congressman Rogers and Killam's parents

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OPC (Cont'd)

have approached the State Department. The State Department has approached CIA. The Chief, Inspection and Security Staff, is handling the matter.

OPC Hong Kong suggests that if HIMERLIN has reached the overt stage at this time, it appears probable that General Mow would rally to the flag, bringing the 19,000,000 bucks with him.

A clandestine C+A Albanian language transmitter, identifying itself as the VOICE OF FREE ALBANIA, started regularly scheduled shortwave broadcasts into Albania on 18 September. The transmitter is in the vicinity of Athens but its location will not be divulged in the broadcasts to Albania. No attempt to establish the transmitter as being located within Albania will be made, but it is anticipated that this inference may gain credence.

MISCELLANEOUS

Mr. Gordon Gray has forwarded for appropriate action by CIA Plan TAKEOFF which has been approved by PSB. DD/P

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SUPPLEMENTAL LOG

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ITEMS FROM COL. HANSEN

Conversed with Drew Pearson at Doctors Hospital late yesterday afternoon. He is growing increasingly interested in psychological warfare, though he presumably has no information on CIA involvement in this activity. He had suspected our association with the Kerensky group, realizes the sensitivity of the business, but is unaware of our relationship with RFE.

Mr. Chapman Pincher of the London Daily Express called on me this morning for a background fill-in on CIA to be used in an article he is preparing for that publication. I provided him with those materials we have available and suggested that he check his story for accuracy when completed.

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OSO

In accordance with DCI instructions, an OSO representative will confer in New York with Mr. Louis Budenz, whose offer of services to General Eisenhower has been referred to the Director. On several previous occasions, pressure of other business has forced Mr. Budenz to cancel meetings sought by OSO.

Mr. J. A. Waters, AEC Director of Security, has expressed appreciation to OSO for its surveillance of the atomic scientist Sergio de Benedetti during his recent trip to Europe.

OPC

In its program to discourage illegal West German economic aid to the Soviet bloc, CIA has planted a series of articles in the Hamburg Sunday newspaper WELT AM SONNTAG, which has a circulation of 500,000. The articles, prepared by a CIA agent in cooperation with British intelligence, were planted through a Social Democratic Party contact. They exposed the scope and results of the illegal East-West traffic and names those who are profiting from these ventures. These "black-market millionaires", the articles stress, would never be allowed to keep their wealth if the Communists whom they have supplied were to move into western Germany.

As part of a covert CIA campaign to bring favorable notice of the Schuman Plan to every level of German life, Gesellschaft Freies Europa, an affiliate of the Christian Democratic Party financed by CIA for this operation, has printed a series of posters designed to be displayed in the schools of the Federal Republic. The poster campaign, which stresses the importance of the European trade area embraced by the Schuman Plan

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DIRECTOR'S LOG

8:30 AM, 21 Sept. 8:30 AM, 22 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC

countries, will be accompanied by an essay contest designed to stimulate thinking along similar lines.

CIA's two principal agents in Iran have received a letter from Louis de Rochemont informing them that their recently submitted scenarios have been accepted by Hollywood. Arrangements have been made to release this information to the press and VOA will beam the story to Iran and the UK. The scenarios do not exist. The intent of the letter and the attendant publicity is to cover the substantial expenditures being made by the agents in Iran who, ostensibly, are politically active newspapermen of nominal means.

COPY # 1 OF 5. SEP 21 1951

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DIRECTOR'S LOG

8:30 AM, 22 Sep 51 8:30 AM, 24 Sep 51

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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OSO

Haakon Lie, Secretary of the Norwegian Labor Party, will come to the United States in November to collaborate with Harvard Professor Walter Galenson on a book dealing with Norwegian Communism. OSO has agreed to transmit through its pouch facilities background materials from Norwegian Labor Party archives in return for permission to microfilm them. The opportunity will also be used to discuss with Mr. Lie the expansion of cooperation between OSO and the Norwegian party's intelligence organization, which he controls.

OSO efforts to induce the defection of Juliusz Katz-Suchy, former Polish U. N. delegate now at the ECOSOC conference in Switzerland, culminated in a direct personal approach on 18 September but have apparently failed. Katz-Suchy was to have returned to Poland on 21 September.

Ambassador to Iraq Edward S. Crocker met and discussed matters of mutual interest with Dale McAdoo, new Chief of OSO/Baghdad, in Washington.

Mr. Robert N. Carew Hunt, British Secret Service officer and author of "The Theory and Practice of Communism," leaves England on 9 October 1951 for a five-week visit in the U. S. He will visit Washington and will spend some time at the Harvard University Russian Research Center.

(Continued)

Copy # 1 of 5.

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SEP 22 1951

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DIRECTOR'S LOG

8:30 AM, 22 Sep - 8:30 AM, 24 Sep 51

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC

The OPC Chief of Station in Hong Kong reports that the message misdelivered to BOMARQUE Headquarters in Taipei by General Chennault's secretary was originated by an OSQ agent there in connection with efforts to procure covertly an MIG-15. It was intended for the CAT security chief. The Chief of Station stated that although the secretary is not properly trained for cut-out duties, there was no evidence of disloyalty on her part. He has recommended that new cut-out arrangements be made and that the mistake be discussed with the OSQ agent, pointing out how serious would have been the delivery of a wrong message to the CAT security chief.

Copy # 1 of 5.

TOP SECRET

SEP 22 1951

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DIRECTOR'S LOG

8:30 AM, 24 Sept. 8:30 AM, 25 Sept.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

Agents of the Belgian Department of Justice have arrested the staff of the Belgian State Security office in Charleroi and impounded its files, including identities of informants. CIA and British representatives are taking steps to safeguard information on tripartite operations in Belgium conducted jointly with the State Security organization headquarters in Brussels. The Chief of State Security has been a close collaborator of CIA since the end of the war. No reason has been given for the current investigation.

Chief EDM/OSO has returned from a month's survey of OSO installations and operations in Central Europe. He indicates that the pressing problems in this area are the need for build-up of manpower assigned to Czech and Polish operations, a new approach to CIA currency procurement replacing present dependence on the Bern Station under now impractical conditions, and administrative handling of the take-over of personnel from the HICOG Office of Intelligence and other organizations in Germany.

Swedish State Police forcibly removed from a Polish collier docked in Stockholm the ship's cook, whom the crew had confined on learning of his intention to defect. A messboy also disappeared from the ship during the proceedings.

The engineer and dispatcher of the "Freedom Train" which entered U.S. Zone/Germany on 10 Sept. have furnished information being used to mount an OSO operation directed at evacuating to Germany the Director General of Czechoslovakian railroads. In addition to information of positive intelligence value, the latter is said to have secured, in preparation for defection, a list of 200 Czech intelligence agents operating in the U.S. Zone.

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24 1951

Copy # 1 of 5

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DIRECTOR'S LOG

8:30 AM, 24 Sept. - 8:30 AM, 25 Sept.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OPC

A translation of a secret-ink letter from a CIA-controlled agent team in Albania has been received. Dated 5 August, the letter acknowledges a July supply drop, the first of three successful drops to this team and reports that the team is intact and active. The writer mentioned wide-spread anti-Communist feeling in Northern Albania. He referred specifically to one organization known as "For the Freedom of Albania and Overthrow of Communism" and said to number both civilians and soldiers among its members. If this team is as firmly established as the letter seems to indicate, there is now a funnel in Northern Albania through which supplies and additional agents can be put in.

Indications are that members of the Military Junta of the National Committee for a Free Albania cooperating with CIA in operations against Albania have made politically inspired agent selections, have been lax securitywise, and do not enjoy the confidence of at least one Albanian agent team. Efforts will be made in future operations involving the Junta either to isolate its members while operations are under way or to prevent its members from learning operational details.

On 13 Sept. the National Committee for a Free Albania in New York transmitted a cable to Albanian Premier Enver Hoxha offering medicines and food stuffs to the Albanian people, provided distribution could be supervised by an impartial group. No reply has been received. Therefore, the message will be released to the press and radio within the next 2 days by the public relations section of National Committee for a Free Europe. Hoxha's tacit refusal to cooperate provides the basis for the next leaflets which CIA plans to disseminate to the Albanian people in the name of the National Committee for a Free Albania.

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(COPY # 1 OF 5.)

SEP 24 1951

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DIRECTOR'S LOG

8:30 AM, 25 Sept. - 8:30 AM, 26 Sept.

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OSO

The British Secret Service (MI-6) believes that seizure of the files of the Charleroi office of Belgian State Security will damage the morale of staff personnel and informants of the entire organization and may establish a dangerous precedent under the constitutional authority invoked by the Judicial Police. MI-6 feels that evaluation of the incident must await clarification of the cause of seizure and the constitutional issue involved.

An OSO agent parachuted into western Byelorussia on 22 Sept. in the course of the longest clandestine flight over Soviet territory yet executed by CIA. The mission was without incident. The agent has been briefed to report in secret writing on Soviet Air Force and industrial targets and will return to Western Germany through Poland and Berlin.

Maj. Gen. Charles Haydon, chief planner for the British Secret Service, will arrive in Washington on 3 October for conversations with CIA officers.

Maj. Gen. Frank Heileman, Chief of Transportation Corps, U.S. Army, agreed in conference with OSO and TRD representatives on 21 September to assist in guarding Camp Parry with troops from Fort Eustis.

The OSO Registry processed 2,912 outgoing pouch items during the week of 17-22 September, the largest number ever dispatched.

(CONTINUED)

COPY # 1 OF 5.

SEP 25 1951

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DIRECTOR'S LOG

8:30 AM, 25 Sept.- 8:30 AM, 26 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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MISCELLANEOUS

G-2 has requested that IAC prepare an estimate of the "Likelihood of the USSR Deliberately Initiating War During 1952". O/NE - A copy of the request to Mr. Reber.

Mr. Armstrong has forwarded: (a) State's draft position paper on the subject of security controls and the contractual arrangements with Germany; (b) preliminary comments of Defense on German contractual No. 2/1; and (c) draft of a convention on security controls prepared by Defense. He notes that State feels that (1) Item (c) above should not be discussed at the forthcoming working level three-power meeting in London next week; and (2) Item (c) should not in fact be included in a convention on security controls which must be published and ratified by legislative bodies, including the Bundestag. Mr. Becker.

OO

The Tolstoy Foundation reported through the N.Y. Field Office that final steps in the legal commitment of defector M.I. Samarin (also known as Michael Gregory) at the Institute of Living, Hartford, Conn., had run into difficulties. Samarin was removed from another institution to Hartford on 24 August, and Conn. law prescribes procedure culminating in examination, hearing and opinion by 2 independent psychiatrists, certifying that the individual's commitment is required in the interest of public safety. One of the 2 psychiatrists brought in for this purpose has expressed doubt as to the diagnosis of paranoid schizophrenia. If his final decision should be that Samarin is not dangerously insane, Samarin would be discharged from the hospital. To arrange timely steps against this contingency, if possible, the Executive Director of the Tolstoy Foundation and the assigned case officer in N.Y. will

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(CONTINUED) COPY # 1 OF 5.

SEP 25 1951

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DIRECTOR'S LOG

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 25 Sept.- 8:30 AM, 26 Sept.

OO Cont'd.

meet today with Governor Lodge of Conn., with whom the former is closely acquainted, and seek his aid in resolving the situation.

In his present mental state, Samarin's release would be unfortunate in its possible propaganda implications. He is the former Soviet teacher who refused to return to the Soviet Union in 1948, has been insane for upward of a year, and was the subject of an item in this report of 20 Sept. 1951, dealing with a letter which he had attempted to send Gromyko.

At 1135 this date, we were notified that Samarin had been reported missing at the hospital 15 minutes before. We have a representative at the Tolstoy Foundation in N.Y., which in turn is in direct touch with the hospital; we notified the FBI, suggesting that Samarin be picked up if he should approach a Soviet diplomatic installation; we alerted the Army Language School in Monterey, Calif., to notify us at once if Samarin attempted to get in touch with his wife there; and we notified other government agencies to whom the matter is of concern. At 1345 we were notified that Samarin had been apprehended, still in Hartford, and returned to the hospital. Those who had been advised of his disappearance were notified of his return.

OPC

The Fighting Group Against Inhumanity, a German organization covertly sponsored by CIA, has conducted 2 small-scale "administrative sabotage" operations against the East German Government. A circular letter was sent to all finance and main customs officers of Land Brandenburg, purporting to come from the main office, which denounced the Deputy-Chief of the Land Finance Ministry, alleging that he had been dismissed from his office as an agent of the "Western Imperialists." A classified circular, purporting to originate within the Finance Ministry of the East German Republic, instructed all branches to refrain for a month from collection

TOP SECRET of back taxes and to postpone any compulsory auctions.

COPY # 1 OF 5. SEP 25 1951

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DIRECTOR'S LOG

8:30 AM, 25 Sept.- 8:30 AM, 26 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC Cont'd.

One of the CIA-controlled guerrilla forces operating in North Korea has recruited 150 additional men recently and made 3 raids between 4 and 7 Sept. In a raid on a manufacturing plant, it inflicted 21 casualties, fired a warehouse and plant buildings, destroyed 40 bales of foodstuffs and killed 15 service cattle. In another raid, it inflicted 14 casualties and destroyed a locomotive repair shop, a saw mill, 2 newly-built factories, an oil storage shed, 7 locomotives and 3 small bridges. In the third, the force burned the local offices of the Communist party and inflicted 5 casualties, including the local chief of the party's General Affairs Section.

CIA-controlled guerrillas on the west coast of Korea have rescued 2 more downed F-86 pilots, one on 17 August and the other on 6 Sept.

An attempt was made recently to kidnap an important official of the League of Freedom Loving Lawyers, a CIA-sponsored organization, which has gained considerable publicity in East Germany. The Berlin Government is being asked to furnish a police guard at the official's home and, if possible, police escort during travel. CIA-controlled outlets in Berlin and East Germany are publicizing the abduction attempt.

A CIA agent in Germany has enlisted the cooperation of the East Zone Assistant Postmaster General in Charge of Censorship. The latter reports that staggering amounts of overt Western propaganda are caught by East Zone censors. He hopes to be able to continue his duties while surreptitiously allowing its distribution.

(CONTINUED) COPY # 1 OF 5. SEP 25 1951

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DIRECTOR'S LOG

8:30 AM, 25 Sept. - 8:30 AM, 26 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC

Gayalo Thondup, another brother of the Dalai Lama, has arrived in the U.S. accompanied by his Chinese wife and child. At present, the 3 are guests in Virginia of the Dalai Lama's brother Tak-teer, supported by the CIA-controlled Committee For A Free Asia. CIA attempted to forestall Gayalo's trip to the U.S. because of suspected Nationalist connections of undetermined nature. These attempts were unsuccessful. Gayalo has indicated no definite plans. He has not requested support from the Committee For A Free Asia so far, however, and it is known that he wishes to enter a university.

The field reports that CIA agents in no way indicated U.S. Government interest in the CIA-controlled International Federation of World Veterans' Organizations when arranging for a South Korean Army Lieutenant to participate in the Federation's recent Rome conference.

A CIA agent who has completed a survey of Macao reports that the Standard-Vacuum Oil Company and Caltex petroleum installations there are very accessible targets for sabotage. The field questions the desirability of attempting sabotage, however, unless there is definite proof that the facilities are involved in leakages of petroleum to the Communists. Intelligence channels are ascertaining if such is the case.

Chinese Nationalist guerrillas returning from CIA-directed mainland operations report that the Communists are generally forewarned of guerrilla operations. The field reports its awareness of this situation and stresses the extreme difficulty of maintaining the security of landing operations, but reports that Chinese Communist confusion, as determined from underground reports and radio intercepts, indicates that, except in the case of one operation, they have not had knowledge of raiding targets or landing dates and that they had no definite plans to counter.

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COPY # 1 OF 5.

SEP 25 1951

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DIRECTOR'S LOG

Noted by DCI
10/4/51-RR

8:30 AM, 26 Sept. - 8:30 AM, 27 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

Penetration of the Greek Communist Party has yielded information that a plan to assassinate Paul A. Jenkins, Deputy Chief of ECA in Athens, by 28 September has been at least temporarily shelved to avoid police reaction coincident with the anticipated arrival of certain Greek Communist leaders from abroad. Chief, OSO/Athens has been instructed to inform the Ambassador and Mr. Jenkins and to suggest that protective measures be taken.

A British Secret Service informant has reported that Belgian Judicial Police action against the Charleroi section of Belgian State Security grows out of charges by disgruntled staff members against the Charleroi office chief of improperly using government gasoline and funds. U.S. Ambassador to Belgium Murphy intends to make an informal expression of concern to the Minister of Interior over the precedent established in this case.

The husband of a Greek woman gynecologist in Athens has complained to the U.S. Embassy of damage to his family's reputation arising from court proceedings between his wife and a female Greek employee of CIA's joint U.S.-Greek Communist project. He alleges that the employee requested a false certificate of pregnancy for use in blackmailing an OSO staff officer. An effort is being made to clarify the matter and handle it as quietly as possible in Athens.

OSO is developing an operation built around a Finnish Army reserve officer which will provide intelligence coverage of Soviet Karelia and the Porkkala Zone of Finland and facilitate organization of a Finnish staybehind network.

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COPY # 1 OF 5. SEP 28 1951

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DIRECTOR'S LOG

8:30 AM, 26 Sept.- 8:30 AM, 27 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC

In a dispatch from Athens, the NEW YORK TIMES reported on 26 Sept. that "a new powerful radio station appears to have been installed in Albania, broadcasting in the name of the National Committee for a Free Albania, a body agitating for the liberation of the Soviet Union's smallest and most isolated satellite." The broadcasts emanate from a CIA controlled clandestine transmitter located near Athens which was previously reported to have begun broadcasting into Albania on 18 Sept.

Apparently following a tip from Greek Intelligence, CIA Athens reports that Bulgarian border authorities have been alerted to expect the infiltration of an agent team and is preparing an ambush. The team in question is identified as a CIA controlled group which had been operating in South Central Bulgaria but which crossed the border into Greece in July. The return of the team to Bulgaria is being postponed pending a field investigation of what appears to be a security compromise.

ABulgarian defector to Turkey has reported seeing leaflets in the Tutrakan area of northeast Bulgaria which, from his description, were undoubtedly dropped during a CIA operation in March.

CIA Frankfurt reports that during the Communist-dominated World Youth Festival in August, the East German authorities outside of Berlin were unable to cope with large-scale leaflet, poster and sticker operations mounted by the CIA-sponsored League of Free Lawyers because so many East Zone security police had been transferred to Berlin to control the crowds.

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(CONTINUED) COPY # 1 OF 5.

SEP 26 1951

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DIRECTOR'S LOG

DATE OF DOCUMENT DATE RECEIVED FROM TO 8:30 AM, - 8:30 AM, SUBJECT ACTION

OPC (Cont'd)

Posters in Dresden, Halle, Cottbus, Erfurt and Rostock, which ordinarily are pulled down within a few hours, remained up for twelve to forty-eight hours. Authorities in each of the localities requested the return of their security police from Berlin, but the Berlin SED chief reportedly threatened to resign his responsibilities for counter-intelligence and counter-propaganda if his security forces were depleted. With this threat he retained his control over the provincial police.

None of the two hundred forty-eight men who took part in the operations was caught.

An organization of Ukrainian Nationalists (OUN) representative has stated to a CIA cutout, without revealing his source, that he has had recent news from the Ukraine telling of determined efforts by Soviet security forces to stamp out resistance. Between January and September, according to the report, fifty OUN members were arrested. Underground members were instructed to discontinue contact with each other. The "homeland" force wanted to send out couriers but did not believe that they would have much chance of getting through.

The NEW YORK TIMES published on its amusement page on 25 September an announcement from the office of Louis de Rochemont that the producer had acquired an original story dealing with the current oil crisis in Iran, written by two young Iranian journalists. As previously reported, the announcement, beamed to the UK and Iran by the VOA on 26 September, is designed to cover the substantial expenditures being made by the journalists, who are CIA's two principal agents in Iran.

(CONTINUED) COPY # 1 OF 5. SEP 26 1951

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DIRECTOR'S LOG

8:30 AM, 26 Sept. 8:30 AM, 27 Sept.

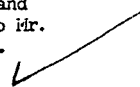
DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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MISCELLANEOUS

DCI has received a letter from President Truman indicating that:

- (a) considerable progress has been made in the development of plans to assure the continued and efficient operation of Government under times of emergency such as enemy attack;
- (b) further steps need to be taken, however, and he is anxious that maximum planning be completed now; and
- (c) he has asked Mr. David H. Stowe to discuss this matter with DCI.

Sent to DD/A
to note and
return to Mr.
Larocque.



COPY # 1 OF 5. SEP 26 1951

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Noted by DS:
10/15/51 - cer

DIRECTOR'S LOG

8:30 AM, 27 Sept. 8:30 AM, 28 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

The British Secret Service representative in Washington delivered to OSO a list of items proposed as an agenda for the conversations with Major General Charles Haydon which begin in Washington on 5 October. Points included are: SO operations as a weapon in Europe, planning to meet SHAPE's wartime needs for covert operations and secret intelligence, future of WUCC, peripheral planning problems in Europe, British views on civil security and counterespionage in support of SHAPE, and principles governing SHAPE's allocation of SO targets to clandestine services. ✓

The Chief of French Intelligence in Saigon admitted serious deterioration in French coverage of Communist-controlled Indochina and South China, owing to effective counterespionage and withdrawal of French administrators from adjacent areas. This apparent frankness could be a gambit to forestall CIA's impending request for increased information on Indochina or a move preliminary to French requests for CIA information on South China or increased material support of French operations.

OSO is microfilming Belgian State Security files being held to protect them against inspection by the Belgian Judicial Police during its current investigation of State Security's Charleroi office.

Mr. Higgs, Deputy Director of the State Department Office of European Affairs, has agreed with Ambassador Allen's proposal that the new Chief, OSO/Belgrade be accredited directly to General Rankovic without going through the Yugoslav Foreign Office. The Chief of Station departs for his new assignment on 4 October.

(CONTINUED) COPY # 1 OF 5. SEP 27 1951

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DIRECTOR'S LOG

8:30 AM, 27 Sept. - 8:30 AM, 28 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO (Cont'd)

A courier dispatched by an OSO team operating in Albania has re-entered Greece and is being debriefed.

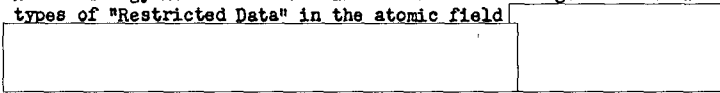
Brigadier Gambier-Parry, Director of Communications for the British Secret Service (MI-6), and Colonel Munn, Director of the MI-6 Training Division, will spend the day of 26 October in Washington en route to Canada. They will return to Washington on 1 November and will then be available as long as necessary for discussions with CIA officials.

OPC

Two more messages have been received from the agent team dropped into Lithuania in April. It now seems clear that some kind of organized resistance movement exists and that, while a certain number of its members live surreptitiously in the forests, the majority work at regular jobs. The team reports that it is preparing drop zones and a reception committee for future air support operations.

DD/A

Mr. Pforzheimer has been informed by Mr. Borden, Director of the Staff of the Joint Congressional Committee on Atomic Energy, that the Committee is presently considering amendments to the Atomic Energy Act which will allow a limited exchange of certain types of "Restricted Data" in the atomic field.



COPY # 1 OF 5. SEP 27 1951

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DIRECTOR'S LOG

Noted by BGI
10/15/51-009

8:30 AM, 28 Sept.- 8:30 AM, 29 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

Otto Skorzeny, ex-Nazi paramilitary expert has offered through the Asst. U.S. Air Attache in Madrid to provide to U.S. intelligence information obtained from penetration of a Soviet espionage ring in the Western Zone of Germany. OSO's Madrid representative has requested that Skorzeny be required to furnish more details before a meeting with appropriate U.S. officials can be arranged. ✓

OSO is arranging through the U.S. Air Attache in Stockholm to have Danish pilots with Scandinavian Airlines briefed for their flights through satellite countries.

The Director of the Security Division of AEC, has written the ADSO complimenting OSO for its surveillance of Sergio de Benedetti, AEC employee, during his recent European travels.

OPC

Gen. Eisenhower has expressed to CIA consultant Edward M. Earle, a professor at Princeton's Institute for Advanced Study, the view that psychological warfare operations designed to strengthen our NATO allies would, in his opinion, be more productive than psychological warfare directed against our enemies. He has asked Professor Earle to discuss the matter with interested private individuals in the U.S., in particular Gen. Donovan. He believes that these operations should be conducted by private organizations and that the U.S. Government should not be overtly associated with them. ✓

Negotiations with Turkish authorities re reorganization of the Turkish police and security services appear to have stalled, at least temporarily. Functions which CIA hoped

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(CONTINUED) COPY # 1 OF 5.

SEP 28 1951

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DIRECTOR'S LOG

8:30 AM, 28 Sept - 8:30 AM, 29 Sept.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC Cont'd.

would be removed from the obstructive and suspect Turkish National Security Service are to remain within the jurisdiction of the head of that organization, who appears to have regained at least some measure of his former stature. Prospects for the use of Turkish territory as a base for covert operations into the USSR and the Balkans have improved, however. Taking advantage of the occasion of Turkey's imminent entry into the NATO, U.S. Ambassador Wadsworth has informed the Turkish Prime Minister and Foreign Minister of U.S. interest in conducting prospective operations from Turkey into adjacent Communist areas. The 2 Turkish officials expressed willingness to cooperate and have agreed to the conduct of negotiations and liaison for this purpose through the Turkish General Staff, rather than the TNSS.

The League of Nazi Persecutees, an organization which has been covertly supported by CIA since it broke with the Communist front association of Nazi Persecutees, is preparing for active resistance in the East Zone of Germany and for countersabotage operations in Western Germany. The League has 20,000 members of Western Germany and more than 500 in Berlin and the East Zone. Its activities have been limited previously to political and psychological warfare.

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SEP 28 1951

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Noted by R31
10/4/81 - 0842

DIRECTOR'S LOG

8:30 AM, 29 Sept. - 8:30 AM, 30 Sept.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

The explosion at the Allied Military Government building in Trieste on 27 Sept, generally believed to be the work of pro-Italian extremists, caused no damage to the OSO station aside from breaking a few windows.

TRNG.

Action has been completed in the case of the Russian Embassy employee who requested enrollment at Georgetown University where CIA employees regularly receive language training. After consultation with AD/SO and FBI, it was recommended to Georgetown University that the requested enrollment be disapproved.

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SEP 29 1981

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DIRECTOR'S LOG

Noted by DCI
10/1/51

8:30 AM, 1 Oct - 8:30 AM, 2 Oct

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC

Intelligence furnished by a CIA-controlled guerrilla force in North Korea enabled the Fifth Air Force to bomb and strafe a concentration of enemy troops in the Kwesangbong area of Korea on 23 September. A CIA agent who flew in one of the planes as an observer reported excellent results and secondary explosions.

The Dalai Lama of Tibet has responded to the State Department message conveyed to him in July by his elder brother offering covert US assistance to maintain the autonomy of Tibet. The response expressed deep regret that the Dalai Lama was unable to take immediate advantage of the US offer. The Dalai Lama said that he was forced by circumstances and the needs of his people to return to Lhasa but hoped that the US would not lose confidence in him and would continue to be friendly.

OPC's two principal agents in Iran report the receipt of a message from a source inside the Tudeh Party on 25 September informing them that the Provincial Committee of the Tudeh Party has advised Tudeh cells to be ready for action and to stand by for instructions to "get to work". The source did not know what "work" meant, but believed it meant revolution or major civil disturbance. The field cautions that the report is not entirely clear and states that no information on a planned Communist-inspired revolution has been received from embassy or other CIA sources. The field comments, however, that regardless of the validity of the report it appears evident that increased Tudeh Party activity is imminent. US officials in Teheran have been informed of the report. At headquarters, it has been placed in the normal intelligence distribution channels.

COPY # 1 of 5.

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OCT 1 1951

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DIRECTOR'S LOG

8:30 AM, 1 Oct. - 8:30 AM, 2 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC (Cont'd)

CIA Athens reports that the French Ambassador in Sofia was informed by a Greek diplomatic source that RADIO GORIANIN is located in Greece and is not a real clandestine station but is U.S. sponsored. Word to this effect appears to have spread throughout the Sofia diplomatic community.

After three days absence without leave, a Frankfurt OPC staff employee, Walter Reason (GS-7, Administrative Assistant), sent a commercial cable from Rome requesting instructions on how to resign from the Agency. A representative from the Frankfurt station was immediately sent to Rome to return Reason to Frankfurt. On orders from Washington, Reason was flown to the United States to be interrogated by I & S. The interrogation and polygraph tests were negative. Reason was discharged for abandonment of position; his passport, PX and AGO cards have been sent by the Transportation Division to State and Army for cancellation. The case is considered closed.

The second scheduled plenary meeting of the Organization Bureau of the CIA sponsored Council for the Liberation of the Peoples of Russia has been delayed beyond the projected date of 30 September. The delay has been caused primarily by the Georgian groups who are taking longer than predicted in signing the Stuttgart Protocol. These groups are now expected to meet and reach an agreement among themselves on the Protocol on 5 October. The Armenian groups are similarly delayed, but will meet in Cairo in early October for the same purpose.

OSO

While in Paris the DCI invited Robert Hirsch, Director of the Surete Nationale, to visit CIA in Washington, suggesting also that Mr. Thayer be in Washington at the same time. The visit is tentatively scheduled for the first week in November.

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(CONTINUED) COPY # 1 OF 5.

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DIRECTOR'S LOG

8:30 AM, 1 Oct. - 8:30 AM, 2 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

A courier from an OSO team in southern Albania reported slow but secure progress of the operation and brought information on the breakup of an OPC mission and a Greek-sponsored team by internal security troops.

COPY # 1 OF 5. OCT 1 1951

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DIRECTOR'S LOG

Noted by DCI
10/4/51 - *awr*

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 2-Oct. - 8:30 AM, 3 Oct.

OSO

An OSO agent recruited in Finland has returned from a two-week cross-border mission in the Karelian Isthmus and is being debriefed. Owing to the sensitive cover situation of OSO/Helsinki, this operation has been handled through the local U.S. Army Attache.

OPC

The Chinese Nationalist Air Force dropped an additional 30,000 leaflets over Fukien Province in a CIA-directed operation on 27 Sept, bringing to 145,000 the total dropped during the month of September.

Arrangements have been made with the Chinese Nationalist Air Force for night and possibly day photographic missions over the Chinese mainland with the next two months. Western Enterprises Inc., the BGMARQUE cover organization, will furnish photographic equipment and technicians. The U.S. Military Attache at Taipei will furnish FEAF with copies of photographs taken. The Military Attache will also establish a symbol to be affixed to the photographs which will give Western Enterprises a credit line.

MISCELLANEOUS

In a letter to DCI, Mike Cowles indicates he believes it would be worthwhile to hold a meeting in either Washington or New York with not more than a dozen top newspaper editors, press service executives and news magazine officials to give them a confidential briefing on CIA.

Col. Hansen

TOP SECRET

COPY # 1 OF 5.

OCF 2 1951

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DIRECTOR'S LOG

8:30 AM, 2 Oct. - 8:30 AM, 3 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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In reply to Mr. Gordon Gray's memorandum on planning with respect to the Far East, he has been informed that it is this Agency's view that Strategic Psychological Warfare planning with respect to the Far East and with particular respect to Japan is a subject that should receive the early consideration of PSB.

DD/A

Mr. Harvey, Chief Clerk of the House Appropriations Committee, called Mr. Pforzheimer to request that he come and brief Congressman Mahon, Chief of the Armed Services Appropriations Subcommittee, regarding the appropriation for a CIA building contained in the Armed Services Public Works Bill presently before Mr. Mahon's Subcommittee. Mr. Pforzheimer briefed Mr. Mahon on the urgent needs for a building, together with cost figures, and pointed out that Chairman Vinson and Chairman Russell of the House and Senate Armed Services Committees, for reasons of security, had handled the substantive matter before their Committees themselves. Mr. Pforzheimer requested Congressman Mahon to do likewise if possible and Mr. Mahon agreed that it would be preferable but that he would have to consider the problem at least overnight and would inform us if any additional appearance were necessary.

COPY # 1 OF 5.

OCT 2 1951

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DIRECTOR'S LOG

Noted by DCI
10/4/51 - RR

8:30 AM, 3 Oct. - 8:30 AM, 4 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

The German Internal Security Service has discovered a penetration of the Government Printing Office in Bonn through which sensitive official documents have been furnished to an unknown intelligence service and to the German Social Democratic Party. Timely reporting of the development by an OSO penetration agent has enabled OSO to forestall compromise by turning over to the German Service one batch of the documents recently offered for inspection. Although the OSO operation appears to be in the clear, the involvement of the German Social Democratic Party through the secretary of its leader, Kurt Schumacher, may precipitate a scandal.

A British Secret Service agent in charge of the British stay-behind operations in Spain informed OSO/Madrid in strictest confidence that this program may be turned over to CIA for financial reasons. OSO infers that the British may ask CIA aid in supporting it.

The Belgian Minister of Justice is considering legislative measures to protect the Belgian Security Service from further intrusion by other government agencies. He has asked for information on U.S. practices for the protection of intelligence files.

General J. Lawton Collins is planning a purely personal visit in Stockholm 8-10 October with his daughter, the wife of an OSO Station member. The Embassy and the Army Attache have cleared with the Foreign Office and are attempting to minimize the official reception to avoid possible misinterpretation of the visit.

Dr. Thede Palm, Chief of the Swedish Intelligence Service, is willing to discuss all CIA-proposed topics during his visit to Washington but is unwilling to comment beforehand on the agenda.

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(CONTINUED) COPY # 1 OF 5. OCT 3 1951

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DIRECTOR'S LOG

8:30 AM, 3 Oct. - 8:30 AM, 4 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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GSO (Cont'd)

OSO/Stockholm believes he will take the line that CIA overestimates the extent of Swedish capabilities.

Two OSO agents have returned to Salzburg from a mission into Hungary during which they buried a radio set.

OPC

Mr. Georges Gogh, a member of the General Committee of the CIA-controlled National Committee for Free Albania is now in New York City. He will initiate important changes in the makeup and content of the NCFR newspaper, SHQIPERIA, prior to moving the editorial offices from New York to Rome within the next three months. Mr. Gogh will remain approximately three weeks, after which his place will be taken by Zef Pali of the Executive Committee.

Mr. David Dallin has resigned from the New York League, a Russian emigre organization, giving as the reasons for his resignation the League's "immoral" decision to collaborate with the emigre organization NIS and the vicious nature and conduct of the CIA-controlled American Committee for the Liberation of the Peoples of Russia which, according to Dallin, has dictated, forced decisions and bribed with promises of financial assistance. Eugene Lyons, President of the American Committee, is drafting a letter to the Novoye Russkoye Slovo which will deny Dallin's accusations and attack his methods and motives.

COPY # 1 OF 5. OCT 3 1951

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TOP SECRET

DIRECTOR'S LOG

8:30 AM, 4 Oct. - 8:30 AM, 5 Oct.

Noted by DCI
10/5/51 - W.P.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

The Pentagon has warned EUCOM that its Deutsche Mark budget may have to be converted into dollars for presentation to Congress. EUCOM concludes that support of U.S. activities by the German economy is to be stopped and is converting the OSO DM budget for hire of German personnel into dollars for inclusion with its own estimates. OSO must look forward to making dollar payment for such items as German non-agent personnel, rail transport, signal services, solid fuels, and all types of housing.

OSO/Paris reports new regulations prohibiting ECA personnel from making delicate political investigations in any ECA country without express authority from the local U.S. representative of ECA, who must effect prior coordination with the local State and OSO missions. This action follows an incident in Belgium in which the investigative activity of a French employee of ECA/Paris embarrassed both State and OSO.

OPC

JCS/JSPD has received a cable from General Arnold in Ankara recommending that CIA be allotted the 87 T/O slots in Joint American Military Aid Mission to Turkey requested to provide cover for personnel to be engaged in Turkish based operations against the USSR and the Balkans.

MISCELLANEOUS

A letter has been sent to Mr. Armstrong regarding the document delivered to State complaining of certain alleged British and U. S. clandestine activities hostile to the Government of Yugoslavia indicating that at a meeting held in the office

TOP SECRET (CONTINUED) COPY # 1 OF 5.

OCT 4 1951

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DIRECTOR'S LOG

8:30 AM, 4 Oct. - 8:30 AM, 5 Oct.

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MISCELLANEOUS (Cont'd)

of Mr. Reinhardt, attended by Mr. Furnas of Mr. Armstrong's office, and Mr. Wisner, it was reported that Ambassador Popovic had called Mr. Higgs of State, who was also present at the meeting, within the past few days and stated that the Yugoslav Government did not wish to pursue this matter further and was prepared to consider the issue satisfactorily closed insofar as the U. S. Government is concerned.

Chairman, AEC, has been requested to consider the feasibility of development or adaptation of atomic weapons and radiological warfare materials that would be suitable and appropriate for employment by clandestine means.

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COPY # 1 OF 5.

OCT 4 1951

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DIRECTOR'S LOG

8:30 AM, 5 Oct. - 8:30 AM, 6 Oct.

Noted by GCI
10/5 - *lee*

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

General K. W. D. Strong is scheduled to arrive in Washington Sunday, October 7.

Mr. Gordon Gray has requested DCI approval of "HUMER", a "Psychological Operations Plan Incident to Korean Cease-Fire Negotiations".

Noted by Mr. Dulles and sent to DD/P for recommendation.

OSO

An OSO officer introduced by the New York office of Contact Division/QO conferred with Associated Press executives on use of the AP Bureau Chief in Vienna in connection with exploitation of the two recent high-level Czech defectors. The Associated Press agreed to OSO's proposal subject to specific limitations stated in writing.

Two experienced OSO agent teams entered Bulgaria on 27 and 29 September. One team escorted across the frontier an agent from Trieste on a one-time mission to Sofia, where he will recruit a resident agent.

OPC

A CIA-controlled guerrilla force in North Korea staged a surprise raid on a small group of North Korean troops on 19 September, killing sixteen, wounding eleven and capturing three. Two guerrillas were killed and two wounded.

Delegates from Burma, Indonesia, Thailand, Malaya, Vietnam, Hong Kong, and Japan gathered at a radio station near Manila on 1 October for the first Asiatic seminar of the CIA-controlled Far East Broadcasting Company. The seminar, designed as a counter-measure to Communist propaganda in the Orient, has as its theme

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(CONTINUED) COPY # 1 OF 5.

OCT 5 1951

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DIRECTOR'S LOG

8:30 AM, 5 Oct. - 8:30 AM, 6 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC (Cont'd)

"Freedom by Truth for Asia". Philippines Defense Secretary Ramon Magsaysay and noted American speakers have been invited to attend.

Messages were received on 15 and 28 September from one of the two British teams dropped into the Ukraine in mid-June. The first stated that contact points could be kept open until the end of October for the reception of a new British-controlled Ukrainian team but cautioned that conditions inside are extremely difficult. The second confirmed advice previously received that the other British-controlled team dropped into the Ukraine in mid-June was wiped out by Soviet security forces. A group of overland couriers traveling to contact the surviving team in the Ukraine was successfully infiltrated across the Bavarian-Czech border in late September.

An RAF plane flying from England to Egypt dropped 500,000 leaflets over Albania on the night of 28/29 September. One-half of the cargo consisted of leaflets prepared by CIA.

MISCELLANEOUS

Navy has approved our training agreement for the purpose of training a limited number of selected career employees.

Col. Baird

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COPY # 1 OF 5.

OCT 5 1951

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DIRECTOR'S LOG

Noted by DCI
10/8 - lead
HJM

8:30 AM, 6 Oct. - 8:30 AM, 8 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM

TO SUBJECT

ACTION

OSO

Operational developments have increased OSO doubts as to the authenticity of the penetration of the Greek Communist Party in Athens which recently produced information that Communists were planning to assassinate the Deputy Chief of ECA in Greece. All leads are being followed out to distinguish the genuine from the false aspects of the operation.

In a discussion with OSO representatives, Admiral Carney cordially welcomed the proposed assignment of Mr. Michael G. Mitchell to his CINCNELM staff as OSO liaison officer and recommended that Mr. Mitchell join his planning staff as a reserve Commander on active duty under Captain Fabian, Chief CINCNELM Intelligence Officer. The Admiral emphasized his interest in Balkan developments and expressed a desire for the further assignment of an OSO Balkan expert. OSO is confident, however, that Mr. Mitchell's qualifications will make this additional officer unnecessary.

Pierre Boursicot, Chief of the French Secret Service, told CIA officers in Paris that General de Lattre de Tassigny has agreed to accept a Senior CIA representative in Indochina, together with two OSO and two OPC officers. Terms of the agreement include CIA acceptance of two representatives of the French equivalent of OPC in Korea. Interpreting a comment of the DCI in Paris to mean that CIA will take some time to find personnel qualified for the Indochina assignment, Boursicot asked whether he might name the two French officers without waiting for CIA's nominations.

It is the belief of the British Secret Service representative in Washington that Major General Charles Haydon and Air Commodore James A. Easton are being groomed to succeed the present Chief and Vice Chief of the British Service, not necessarily in that order.

ADSO is forwarding through State channels a letter to the Canadian Department of External Affairs in Ottawa requesting assistance in arranging for CIA interrogation of a number of Polish seamen who recently defected in

(CONTINUED) COPY # 1 OF 5.

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OCT 6 1951

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DIRECTOR'S LOG

8:30 AM, 6 Oct. - 8:30 AM, 8 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

Stockholm and were resettled in Quebec. This follows discussions on matters of mutual interest conducted last July in Ottawa by the Chief, Western Hemisphere Division.

It is rumored within the French Secret Service that the Chief, Pierre Boursicot, may leave within three months, possibly to accept a more important government position. Paul Anxionnaz has been mentioned as Boursicot's successor.

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COPY # 1 OF 5.

OCT 6 1951

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NOTES BY DCI
10/9: lcc

4/24

DIRECTOR'S LOG

8:30 AM, 8 Oct. - 8:30 AM, 9 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

The expected scandal is developing from discovery of the security leak in the West German Government Printing Office. German newspapers have headlined the involvement of Dr. Schumacher, leader of the German Social Democratic Party, and of the French Intelligence Service. OSO's action in turning over to the German Security Service documents offered by the French agent has caused Chancellor Adenauer to express satisfaction to General Hays, and some newspapers have attributed the agent's arrest to cooperation between U. S. intelligence and German authorities.

OPC

Arrangements are being made for Jaroslav Konvalinka, engineer of the "freedom train" to attend and address the convention of the International Transport Workers Federation at Marseilles on 8 October. Hans Jahn, head of the German Transport Workers Union is to meet Konvalinka to confirm his labor bona fides, after which it is expected the ITF will invite Konvalinka to attend the Marseilles meeting. Tentative plans have been made for the Czech engineer to make a European tour to address workers after the convention closes.

Iranian Premier Mossadegh will be under the care of CIA contract agent Claude E. Forkner during his stay at New York Hospital. Assistant Secretary of State McGhee is scheduled to brief Dr. Forkner on the U.S. position with regard to the Iranian situation on 8 October. Arrangements are being made to debrief Dr. Forkner daily during his contact with Mossadegh. The Iranian Embassy in Washington reportedly has recommended to Mossadegh that he employ as a special advisor during his U.S. visit a man who is also a CIA contract agent. Although this report is unconfirmed, the agent is being briefed should his employment by Mossadegh take place.

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(CONTINUED) COPY # L OF 5. OCT 8 1951

TOP SECRET

DIRECTOR'S LOG

8:30 AM, 8 Oct. - 8:30 AM, 9 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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MISCELLANEOUS

Mr. Lay has been advised that we propose to undertake an NIE which seems needed in the light of recent discussions in the committees of the NSC, concerning the exception of the Western European members of NATO from the provisions of Section 1302 (Kem Amendment).

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COPY # 1 OF 5.

OCT 8 1951

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DIRECTOR'S LOG

8:30 AM, 9 Oct. - 8:30 AM, 10 Oct.

10/10-lee
#gm

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

5 Oct. '51 J. Edgar Hoover DCI

Advises that:

- (a) the "Dutch Agent" contacted the New York FBI Office a few minutes prior to his departure on 4 October;
- (b) he was not contacted by any Soviet representatives during his stay; and
- (c) he plans to prepare a report on his visit which will be turned over to U.S. Government representatives in Holland prior to furnishing these reports to his Russian principal.

DD/P

FBI requests that CIA furnish to them copies of this individual's report when received.

At the request of Mr. Lay, Mr. Gray has reviewed a draft of parts 1 and 2 of the NSC paper "United States Programs For National Security", and has forwarded to the NSC a suggested revision of paragraphs 28, 51, and 52. A copy of these revisions has been furnished to CIA.

Mr. Dulles

OPC

The number two man of the second agent team dropped into Lithuania has radioed a report describing how the team's leader was killed at a farm house attempting to fight his way out of a MGB ambush. As reported on 10 August, the field felt that the number two man may be under Soviet control, in part because he had not supplied details of the death of his team leader. This feeling has been somewhat allayed by the message just received.

(CONTINUED) COPY # 1 OF 5.

OCT 9 1951

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DIRECTOR'S LOG

8:30 AM, 9 Oct. 8:30 AM, 10 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

Ambassador to Poland Joseph Flack, in discussion with OSO and State representatives, agreed to accept assignment of an OSO officer to the Embassy in Warsaw if it is clear that the individual's past and future activities will not compromise the mission. He will meet OSO's candidate for the position on 9 October.

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COPY # 1 OF 5. OCT 9 1951

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DIRECTOR'S LOG

8:30 AM, 10 Oct. - 8:30 AM, 11 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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10/11 - lead
SPM

OPC

CIA has informed the Department of State that it would consider the maintenance of a Tibetan group abroad of questionable usefulness if the Dalai Lama remains in Tibet and, accordingly, that CIA could make no commitments regarding any such group.

Twenty-one Albanian agents, including several W/T operators, are being flown from CIA's covert training school in Germany to Athens. It is expected they will be infiltrated into Albania immediately following their arrival in Greece. Twenty-six additional Albanian recruits will be sent to Germany for training on the return flight.

OSO

In meeting OSO's candidate for assignment to the Embassy in Warsaw, Ambassador to Poland Joseph Flack and Mr. Harold Vedeler, of the State Department, raised more difficulties than had previously appeared with respect to his cover position. OSO participants in the conversation now feel that State will not willingly accept an OSO assignment to Warsaw, even though the candidate himself seemed to make a good personal impression.

An S/W message from Poland reports that the Polish Government will expel representatives of the American Scantic Lines from Poland on 1 December. This action will deprive OSO of the services of a contract agent who has been in that area for the past nine months.

Ambassador to Belgium Murphy views favorably an OSO/Brussels suggestion that CIA assign an officer to assist M. Woot de Trixhe, of the Belgian Security Service, in revamping his organization. Although the suggestion has not been broached to him, the OSO Station Chief feels that M. Woot de Trixhe would be receptive to it in view of glaring defects disclosed during the recent government investigation of the Charleroi office of his Service.

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(CONTINUED) COPY # 1 OF 5.

OCT 10 1951

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DIRECTOR'S LOG

8:30 AM, 10 Oct. 8:30 AM, 11 Oct.

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OSO (Cont'd)

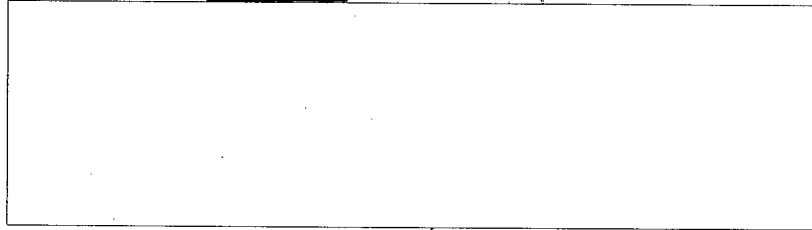
Air Commodore James A. Easton, Assistant Chief of the British Secret Service, will be available in late November for meetings with CIA officers during a brief stop in Washington en route to London from the Far East.

Major General Charles Haydon, chief planner for the British Secret Service, indicated that he plans to leave in about ten days for Singapore.

OO

A radio intercept from Tirana deals with the arrest of spies connected with the "Free Albania Movement." This item was not given regular dissemination by FBID but was immediately distributed to appropriate offices of CIA. Since a great deal of material on this subject will probably be forthcoming in the next few weeks, continued deletion from the several media of regular dissemination may cause unfavorable comment by the Departments of State and Defense.

MISCELLANEOUS



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Scanned by OGI
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DIRECTOR'S LOG

8:30 AM, 11 Oct. - 8:30 AM, 12 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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OPC

Headquarters has authorized ~~BOHARQUE~~ to drop 2 guerrilla contact teams into central Chekiang Province on 10 Oct. and to send 3 Americans on the plane to act as jumpmasters.

Urged on by a CIA-controlled agent, anti-Communist teachers formed an organization in Teheran on 4 Oct. to fight Tudeh infiltration of Iranian schools. The higher normal college, which has already been seriously penetrated by the Tudeh, will be one of the principal targets of the new group.

Radio Tirana has announced the trial of 14 captured spies including 2 allegedly sponsored by the British, one by the Italians, 4 by the Yugoslavs, 3 by the Greeks and 4 by the United States. Of these 4 American agents named, 2 were members of a 4-man team dropped into the Kukes area (northern Albania) in November 1950, while the other 2 were members of a 4-man team which was ambushed shortly after landing near Delvine (southern Albania) in July 1951.

MISCELLANEOUS

Working Staff of the NATO Standing Group Intelligence Committee has adopted an estimate of the Strength and Capabilities of the Soviet Bloc Forces to Conduct Military Operations against NATO. The paper will be published Friday morning, 12 October. Montague reports that the paper is substantially the same as SE 16 approved by IAC 4 October. The conclusions are unchanged. Adm. Johnson, representing the IAC, will ratify the paper for the U.S. Since there is no disagreement with the IAC version, Montague believes it unlikely that the Admiral will request IAC approval of the joint paper.

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OCT 11 1951

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DIRECTOR'S LOG

10/12 lcc

8:30 AM, 12 Oct. - 8:30 AM, 13 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

A leading French banker and close friend of Ambassador Bruce has suggested that he accept a Soviet invitation to attend the Economic Conference in Moscow this fall. OSO is balancing the value of his attendance against Ambassador Bruce's view that the taint of Communism resulting from the trip would prejudice his future usefulness as a source.

Mr. Joseph E. Leininger, OSO officer stationed in the U.S. Embassy in Seoul from May 1948 to June 1950, is to be awarded the State Dept. "Certificate of Commendation" for outstanding performance [redacted] during that assignment.

Upon leaving Iran, Mr. W. Averill Harriman especially commended the Chief, OSO/Teheran, among others, for outstanding service during Mr. Harriman's recent mission.

On 4 October 1951, Representative Fred Busby of Illinois, member of the House Appropriations Committee, was told in conversation with Dr. Gesualdo Barletta, Chief of the Secret Affairs Division of the Italian Ministry of Interior in Rome, that Italian police authorities are able to handle and contain any Communist move at the present time. Barletta also praised the work of CIA in Italy and suggested that activity of other American intelligence services in Italy be centered and coordinated in a single representation under CIA.

Dr. Jiri Fisl, Czechoslovakian Consul in Frankfurt, with whom OSO has been in operational contact since CIC transferred his case to CIA last May, was officially recalled to Prague on 9 October, making official announcement of his defection necessary. He will move to the Defector Reception Center in Frankfurt on 12 October, and HICOG will announce publicly that his request for asylum has been granted.

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COPY # 1 OF 5.

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OCT 12 1951

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DIRECTOR'S LOG

8:30 AM, 12 Oct. - 8:30 AM, 13 Oct.

DATE OF DOCUMENT	RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO Cont'd.

A Hungarian espionage personality, recruited and trained by the Hungarian IS for the past several months for a mission in Italy under business cover, has been apprehended by Italian CE authorities and has agreed to act as a double agent against the Hungarian service.

Gen. Umberto Broccoli, Chief of Italian Intelligence, has returned from a visit to the U.K. sponsored by British Intelligence, during which he conferred with British CE chiefs and inspected technical equipment and training installations. No definite operational commitments were made but, as a result of the visit, 7 Italian Intelligence officers will attend a special British Intelligence training course in the U.K. from November 1951 to February 1952.

SHAPE's tripartite civil security/counterespionage conference, to which CIA was invited to send a representative, has been postponed from 15 October to 29 October. According to Maj. Gen. Charles Haydon, this delay is due to French inability to agree on their representatives.

Mr. C. D. DeLoach, FBI liaison officer to CIA, has been promoted to the position of Inspector and will assume new duties. His successor will be Mr. Charles Bates.

OPC

The first caching program for the U.S. Zone of Austria has been completed. Twelve caches, each consisting of a 2300 pound "package" of weapons, ammunition and explosives, were buried in Land Salzburg and Upper Austria.

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COPY # 1 OF 5.

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OCT 12 1951

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DIRECTOR'S LOG

8:30 AM, 12 Oct. - 8:30 AM, 13 Oct.

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OPC Cont'd.

An "Open Letter to Pastor Niemoeller" has been distributed by the CIA-sponsored Association of Political Refugees, countering Niemoeller's statement that he had seen no evidence of heavy training by the East German Alert Police (bereitschaften) while visiting the Eastern Zone. The letter cites 12 specific instances of Alert Police heavy weapons and tank training. Thirty-seven thousand copies of the pamphlet were printed initially, and so many additional requests were received that 75,000 more were distributed.

A 122-man CIA-controlled guerrilla force in North Korea has reported the conduct of 2 raids between 12 and 18 September. In a raid on a North Korean Army cavalry garrison, the force claimed the killing of 40 men and 13 horses. It suffered the loss of 5 killed, 1 captured, and 2 missing. In the other raid, the force claimed the destruction of 3 trucks and the capture of 600 pounds of rice. Another CIA-controlled guerrilla force has reported the rescue of an ROK Army Captain who had been held prisoner since 12 February.

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OCT 12 1951

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DIRECTOR'S LOG

8:30 AM, 13 Oct. - 8:30 AM, 14 Oct.

TYPE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

A Bulgarian "refugee" recently arrived in Greece has confessed under interrogation that he is a Bulgarian Intelligence agent assigned to penetrate U.S. Intelligence by inviting recruitment, arranging for W/R training in Germany, enticing U.S. agents into Bulgaria, and either luring a U.S. Intelligence officer to the Bulgarian border for capture or making possible the capture of a clandestine operational aircraft. Close interrogation is continuing.

A meeting of U.S. and British officers called by CG, TRUST, to discuss the recent Yugoslav protest against intelligence activities recommended a general reply stating that illegal activities to the detriment of Yugoslavia would be prohibited in the future but worded so as not to preclude operations across Yugoslavia against Soviet Satellites. The Political Advisor in Trieste is reporting the above to the State Dept. for decision. Meanwhile, after discussion between CIA and CIC in Washington, State Dept. has replied to the Yugoslav Ambassador that the U.S. does not engage in subversive activities in Yugoslavia. The Ambassador stated that he considered the matter closed.

DD/P reports from London that the British Secret Service still wishes to assign John Bruce Lockhart as its representative in Washington. He believes, after discussion with senior CIA representatives in London, that this British move should be countered by an expression of confidence in M.A.C. Silverwood-Cope, the present liaison officer in Washington, possibly by allowing him greater access and increasing the importance of his position. DD/P requests DCI guidance in further discussion of this matter, during which he now intends to reaffirm CIA's view that London should remain the chief point of liaison between the 2 services. A proposed reply is being submitted to the DCI

Mark ych.

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OCT 13 1950

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DIRECTOR'S LOG

8:30 AM, 15 Oct. - 8:30 AM, 16 Oct.

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OPC

The first issue of the OPC-supported, Vietnamese language, weekly magazine was released in Hanoi on 6 October and the week following. The issue sold 23,000 copies at three piastres per copy. It is a two-color magazine covering news, features, local social problems, women's news, short stories, humor and cartoons. It is produced entirely locally and has no connection with USIS.

OSO

As a result of slow development of the Aga Khan operation, largely owing to the illiteracy and limited operational potential of his followers, the Aga has received the impression that OSO wishes to terminate it. OSO believes that an attempt to evaluate the project at this time would be premature, since abortive efforts in some areas have been counterbalanced by promising development in others. Mr. Emmet McCarthy, OSO officer who met the Aga in February 1951 as representative of the DCI, will therefore travel to Paris on 16 October to clarify the situation in discussion with him and to brief the operation's new case officer.

Reporting the current trial of foreign espionage agents in Albania, Radio Tirana includes statements attributed to the sole survivor of an OSO/Italian Naval Intelligence team which operated in that area until it was wiped out in December 1950. OSO believes its participation was not known to any member of the team. Radio Tirana ascribes the operation to the Italians.

As a further step in the effort to establish control of Indonesian Intelligence, eighteen Indonesian intelligence officers are being brought clandestinely to the U.S. for

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DIRECTOR'S LOG

8:30 AM, 15 Oct.- 8:30 AM, 16 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO (Cont'd)

two months of paramilitary, intelligence, communications, and security training. This is the second such group to receive covert training in the U.S. under this program.

Col. Daniel, Chief of Swiss Military Intelligence, has requested, through OSO/Bern, CIA assistance in securing the release of military equipment which the Swiss are attempting to buy in the U.S. Col. Daniel was unsuccessful during a U.S. visit earlier this year in arranging release of tanks for the Swiss Army. Recommendations on this are being prepared for DCI.

Otto Skorzeny, former Nazi paramilitary hero, has reported in Madrid that Soviet authorities are receiving secret information from the offices of Chancellor Adenauer, the Allied High Commissioners, and the French High Command in Western Germany. Further details are promised.

Mr. V. O. Goodell, Chief of the Indonesian-Malaya Branch of OSO, will survey the operations of all OSO stations in his area during the first three months of 1952 under cover as a State Department rubber consultant.

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COPY # 1 OF 5. OCT 15 1951

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10/17/51
EGG
HJW

DIRECTOR'S LOG

8:30 AM, 16 Oct. - 8:30 AM, 17 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

OSO/London is asking the British Secret Service to assist in speeding the construction of CIA's radio base near Oxford by overcoming delays due to British administrative requirements.

OPC

Two Albanian agent teams were successfully parachuted into Central Albania on the night of 14/15 October. Each team was supplied with a W/T Operator. Light inaccurate anti-aircraft and machine-gun fire was encountered in the vicinity of Tirana.

In implementation of OPC's program to bring on a firmer anti-Communist policy in the government of Iran, the following operation has been carried out: OPC's two principal agents in Iran wrote a "communist" book designed to be particularly offensive to non-communists because of its violent anti-religious content. This book was printed in Cairo and copies taken to France. From there small lots of the books were mailed to Communist leaders in Iran. In the meantime OPC's agents anonymously informed police of the impending arrival of the books. The police spotted and confiscated them. An official report was sent to the Council of Ministers for action and one package was sent to the Shah. He is expected to take strong action and may send the material to one of the religious leaders with a request that a Fatwa (religious decree) be issued.

TOP SECRET

COPY # 1 OF 5. OCT 16 1951

TOP SECRET

NOTED BY DCI
10/18-62

DIRECTOR'S LOG

8:30 AM, 17 Oct- 8:30 AM, 18 Oct.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

In reply to our request, Mr. Gordon Dean has designated Commander F. J. Pinney, Jr., to discuss with CIA representatives the development or adaptation of atomic weapons and radiological warfare materials

DD/P

OSO

The Radio Free Europe representative in Trieste is reportedly planning to send a locally-recruited RFE employee to Belgrade on 25 October to explore the possibilities of interrogating refugees and obtaining information of RFE interest. OSO is advising RFE through OPC that such an approach in Belgrade at this time would prejudice overall CIA interests in Yugoslavia.

Captain L. H. Patterson, Jr., Psychological Warfare Branch, Department of the Army, contacted the Executive Officer, SSU, on 15 October to request a microfilm copy of a roster of all Army officers assigned to OSS. He was advised that such a list was unavailable.

OPC

A resupply and infiltration operation in support of an agent team in the Kukes area of northern Albania was successfully completed on the night of 15/16 October. Two men, one of whom is a W/T operator, were dropped. Prior to this operation, communications with this team have been by means of letters with secret writing forwarded via Yugoslavia.

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(CONTINUED)

COPY # 1

OF 5.

OCT 17 1951

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DIRECTOR'S LOG

8:30 AM, 17 Oct. - 8:30 AM, 18 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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OPC (Cont'd)

On the night of 10/11 October two BGMARQUE guerrilla warfare teams were dropped in central Chekiang Province. Two Americans piloted the plane and another acted a jumpmaster. There is no report of radio contact with the first team (5 members) which landed near Ming-Hai. A favorable radio report was received on 11 October from the second team (4 members) which landed near Hsien-Chu.

OSI

[redacted] has arrived for a two weeks visit in Washington.

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COPY # 1 OF 5. OCT 17 1951

TOP SECRET

DIRECTOR'S LOG

8:30 AM, 18 Oct.- 8:30 AM, 19 Oct.

10/19-20

gym

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

Mr. Gordon Gray has forwarded a copy of his memorandum to Mr. Webb, which enclosed a copy of a memorandum from Mr. Foster recommending that the following procedural modifications be made in Plan TAKEOFF:

- a. The Department of State be requested to assume primary responsibility for obtaining approval as to the political feasibility and acceptability of the leaflet drop operation.
- b. The preparation of the substantive themes in the leaflets to be dropped be assigned to the Department of State.

DD/P

These recommendations have the concurrence of the Secretary of Defense.

Mr. Gordon Gray has forwarded for consideration at the next Board Meeting "Suggested Fiscal Year 1953 Budget Estimate as Compared to 1952 Estimate for Psychological Strategy Board".

DD/A

DD/P

Gen. Cutler and members of his staff were briefed on 18 Oct by Hunt and Hulick on the implications of NSC 86/1 as it relates to the handling and resettlement of low-level Soviet and satellite defectors. The program of the intelligence agencies vis-a-vis high-level defectors was reviewed and the difference in definition between "defectors" as set forth in NSCID 13 and NSC 86/1 was emphasized. It was suggested that the Keirsten amendment to the Mutual Security Act, which permits up to a hundred million dollars to be used for escapees from the Iron Curtain countries if the President determines that this expenditure

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DIRECTOR'S LOG

8:30 AM, 18 Oct. - 8:30 AM, 19 Oct.

DATE OF DOCUMENT RECEIVED FROM

TO

SUBJECT

ACTION

DD/P (Cont'd)

would contribute to the objectives of NATO and the security of the U. S., might provide funds for a resettlement program for refugees. U. S. psychological warfare activities have suffered and may continue to do so in the future if refugees are not better handled. The interest of the POCC, G-3, DP Commission, and the UNA/R Division of State were discussed and recognized. Gen. Cutler asked his staff to prepare a memo which could be submitted to the Board outlining the problem and requesting approval for the PSB to study the matter further and determine which agency, if any, should be given the responsibility for this welfare matter.

OSO

OSO/Brussels has forwarded microfilm copies of Belgian State Security agent dossiers and informant lists. The opportunity to reproduce these records arose when State Security placed them in OSO hands for safekeeping during the recent official investigation of its Charleroi office.

Robert N. Carew-Hunt, Counterespionage and Communism Section, British Secret Service, has discussed with OSO officers the extent to which each Service has covered Soviet and International Communism. An exchange of studies in this field has been agreed to.

OPC

A leaflet drop of 25,000 news bulletins was made on 12 October on the city of Tung-An, in the Fukien Province.

At a Press Conference 14 October the Iranian Chief of Police, General Mosayeni, described the discovery, in Isfahan,

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(CONTINUED) COPY # 1 OF 5.

OCT 18 1951

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DIRECTOR'S LOG

8:30 AM, 18 Oct. - 8:30 AM, 19 Oct.

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OPC (Cont'd)

of Tudeh plans for Mehregan (the Autumn Festival). Cooperation with our agents led to the arrest of three Tudeh leaders and the raiding of party headquarters where the police confiscated propaganda material, etc. Our agents claim this raid has broken up the local Tudeh organization but warn that another will soon replace it.

Though it is too early to judge accurately the effects of the "discovery" of the "Communist" books in the Post Office and the subsequent announcement of their confiscation by the Government, our Iranian agents consider it their greatest success to date.

Ambassador Donnelly and General Irwin have approved in principle the issuance of carbines to small selected OPC resistance groups in Austria. Detailed plans are now being prepared.

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COPY # 1 OF 5. OCT 18 1951

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DIRECTOR'S LOG

8:30 AM, 19 Oct. - 8:30 AM, 20 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO

M. Robert Hirsch, Director of the French Surete Nationale, informed CIA Representatives in Paris that Mr. J. Edgar Hoover has directed the FBI representative in Paris to establish contact with the Surete Nationale for the purpose of exchanging information, including counter-espionage data.

The Dutch Security Service has brought OSO/The Hague into a penetration of the Polish Legation through one of its female employees, who is engaged to a U.S. Embassy Marine guard. OSO is arranging to have the Marine's assignment extended and will share the information produced by the operation.

OPC

Jean Paul David, Head of the French anti-Communist Paix et Liberte, has reassessed the "Stalin Painting" after examination of a full-size copy and has withdrawn his initial enthusiastic recommendation for its use. He now believes the painting would be effective only with the intellectual classes. David is willing to proceed with the poster plan, if so instructed, but suggests that the use of the painting on postcards might be more effective. The Field recommends adoption of this alternative with abandonment of the poster plan in France, except possibly in connection with the coming UN meeting in Paris. This proposal is being considered by Headquarters.

On 15 October, 2 guerrilla teams were dropped successfully on Hainan Island.

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COPY # 4 OF 5.

OCT 19 1951

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DIRECTOR'S LOG

8:30 AM, 19 Oct. - 8:30 AM, 20 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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OPC (Cont'd)

The North Korean OPC team Pluto contacted the remaining seven members of the OPC team Pullet. The original Pullet group of 30 was dropped on 14 June. Of these, one was known to be captured and the radio operator was killed. Except for the seven contacted the remainder of the team is still missing after scattering from enemy attack. The Pluto team supplied Pullet with 50 additional recruits and has set them up as a sub-unit located at 127-54, 40-22.

Successful air strikes were made by Navy OTF-77's on Komdok Mine on 9 October and on Pukchong on 11 October. The first target was suggested by the OPC team Clown. Aerial photos confirmed the destruction of a North Korean Army battalion headquarters at the Mine and severe damage to a large Russian residence. The second target was pinpointed by the OPC team Pluto. Observers report 80% of the area was damaged, including three warehouses and many buildings.

A cable from Mr. Aurell in Tokyo states that the Chief of the CIA mission in Korea (Col. Vandervoort) has demonstrated over a period of time shortcomings in his relations with his superiors and subordinates among CIA personnel, and with military authorities in the theatre. He has now been criticized by Gen. Van Fleet and the latter's Chief of Staff, G-2 and G-3, especially for his "infiltration tactics into ROK units through KMAG".

Aurell has order Col. Vandervoort to Tokyo in an endeavor to correct the situation, but states that if this action is not effective he will request authorization for Col. Vandervoort's recall to the U.S. without prejudice. (Joint SO/PC cable has been sent Aurell directing him to take such action as he deems necessary.

COPY # 1 OF 5.

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DIRECTOR'S LOG

8:30 AM, 20 Oct.- 8:30 AM, 22 Oct 51

Noted by DCI
10/22/51
lsp

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

Major General Kenneth W. D. Strong, Director of the British Joint Intelligence Bureau, during the course of a conversation on the evening of 19 October 1951 with Mr. Winston M. Scott, OSO, made the following statements:

- a. Major General John Alexander Sinclair has won approval of the Joint Chiefs of Staff and the Joint Intelligence Committee to replace Major General Sir Stewart Graham Menzies as Chief of the British Secret Service. Air Commodore James Alfred Easton, now Assistant Chief, will succeed General Sinclair as Vice-Chief. The position of Assistant Chief will be eliminated.
- b. General Strong will probably succeed Major General Terence Airey as G-2, SHAPE, and will ask for the appointment of Colonel Thomas Betts as his American Deputy.
- c. Sir Edward Travis, Director of the Government Communications Headquarters, British counterpart of AFSA, will retire in 1952.
- d. Sir Percy Sillitoe, Director General of the British Security Service (MI-5), will retire early in 1952.
- e.

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DIRECTOR'S LOG

8:30 AM, 20 Oct - 8:30 AM, 22 Oct 51

DATE OF DOCUMENT	RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO (CONTINUED)

During the night of 18-19 October 1951 joint U.S.-Dutch and U.S.-French teams were dropped into Rumania from Greece. These are the first agent drops which have been made into Rumania. The U.S.-Dutch team will communicate by W/T to a secret base in Italy and the U.S.-French team to a base in France by W/T.

The British Secret Service informed OSO, London, that John Bruce Lockhart has been definitely selected to replace M. A. C. Silverwood-Cope as its Washington representative. Lockhart will leave for Washington about 22 November.

The State Department, reversing its previous stand, will accept the OSO nominee for the Warsaw Embassy as an FSRO Class 3 with the rank of First Secretary, according to the draft of a letter shown to OSO representatives at the Department.

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COPY NO. 1 OF 5

OCT 20 1951

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Noted by DGI
1023 *Lee*

DIRECTOR'S LOG

8:30 AM, 22 Oct. - 8:30 AM, 23 Oct.

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CUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

During the course of the joint U.S.-Dutch and U.S.-French dispatch missions successfully executed on 18-19 October, the dispatching aircraft encountered anti-aircraft fire and observed a fighter plane near Pleven in northern Bulgaria but returned to base undamaged.

Lack of a suitable aircraft has forced the British Secret Service to cancel dispatch of a fifth W/T team of Bandera Ukrainian partisans into the western Ukraine. Only one of three teams dispatched in May 1951 was able to establish W/T contact. A fourth team proceeding overland has reported satisfactory progress by mail.

Two OSO agents returned to Greece from a successful 19-day mission in Bulgaria along the Yugoslav border.

The newly-designated Chief, OSO/Belgrade, arrived in Belgrade on 17 October.

OPC

Two BGMARQUE guerrilla warfare teams were dropped on the night of 17 October: one team on central coastal Chekiang Province (121-02, 28-51), and the other team on central eastern Chekiang Province (120-31, 28-51). A report from the first team indicated that one chute failed to open. The name of the individual is not available at this time. No contact has been made with the second team since the drop.

Plans have been made to recruit members from the League of Freedom Loving Lawyers, an OPC-sponsored organization, for paramilitary operations in East Germany. The operations will be supervised and directed by indigenous leaders who will be

(CONTINUED) COPY # 1 OF 5. OCT 22 1951

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DIRECTOR'S LOG

8:30 AM, 22 Oct. - 8:30 AM, 23 Oct.

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OPC (Cont'd)

controlled by OPC staff officers. Present plans include the creation of four branches: (1) Operations, Plans and Training--the executive and administrative headquarters, (2) Escape and Evasion--new E & E nets to be established in the Soviet Zone, (3) Communications--a stay-behind W/T net, and (4) Sabotage--special operations requiring the use of arms and explosives.

The League of Freedom Loving Lawyers, at present very active in the field of psychological/political warfare, has established itself in the minds of the East Zone population as one of the focal points of resistance against the Soviet-dominated East Zone government.

COPY # 1 OF 5. OCT 22 1951

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DIRECTOR'S LOG

Notes by DCI
10/25/51 Lee

8:30 AM, 24 Oct. 8:30 AM, 25 Oct.

TE OF DATE
CUMENT RECEIVED FROM

TO SUBJECT

ACTION

OSO

OSO officers attached to ZIPPER are forwarding photostats of ten reports received from Otto Skorzeny's alleged penetration of a Soviet Intelligence net which purportedly extends into all elements of the Allied High Commission. The reports are poor carbon copies and are described as obvious fabrication of low quality.

General Truscott reports that a forthcoming HICOG-EUCOM directive will transfer the cost of domestic services performed by German nationals from the German economy to the holders of billets. Other services and rents of requisitioned property will be paid by the U.S. agency concerned.

Antonin Strnad, Czech Commercial Attache at The Hague defected on 22 October to the Dutch Internal Security Service, as a result of a joint Dutch-British operation brought to the attention of OSO/Brussels in its late stages.



Sir Edward Travis, Director of the British Government Communications Headquarters, British counterpart of AFSA, will visit Washington late this month. The report of his impending retirement was confirmed last week by General Strong.

Brigadier Richard Gambier-Parry, Chief of British Foreign Office and Secret Service Communications, will arrive in Washington on 3 November for several days during which he will confer with CIA officials.

TOP SECRET (CONTINUED) COPY # 1 OF 5 OCT 23 1951

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DIRECTOR'S LOG

8:30 AM, 24 Oct. - 8:30 AM, 25 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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OSO (Cont'd)

Colonel Coverdale of G-2, at General Weckerling's request, called on DADSO to discuss representation on the Interagency Priorities Committee. Col. Coverdale reported General Weckerling as saying that Army must be represented by a soldier. DADSO said this would be acceptable as long as there is continuity in representation and due security precautions. Col. Coverdale also stated that Secretary Pace is extremely interested in intelligence matters and plans to go to Germany shortly to see what the Army is doing.

A meeting between DADSO and ADPC resulted in agreement to merge SO and PC registries, to establish a common unit for intelligence support of operations and to establish a common Division for operations against the USSR.

OPC

The League of Freedom Loving Lawyers (OPC-sponsored) reports that over 60,000 persons from East Berlin and East Germany have visited their West Berlin headquarters since 1949. Forty-five thousand of these came to seek legal advice, while 15,000 came voluntarily to express opposition to the Communist regime.

The majority of these 15,000 potential collaborators, as well as 2,500 active collaborators, have been cleared by the organization's security section. Much of the cadre for the League's planned paramilitary organization will come from this established reserve.

An accredited VOA representative who is going to the General Assembly meetings in Paris is the same NE agent who did such a satisfactory job for OPC at the San Francisco Treaty Conference.

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DIRECTOR'S LOG

8:30 AM, 24 Oct. - 8:30 AM, 25 Oct.

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OPC (Cont'd)

He will again have with him the U.S. correspondent for the Arab News Agency, who is also the sole representative in U.S. of Radio Baghdad and Radio Damascus. The latter is not our man but is an excellent unwitting outlet for our agent.

MISCELLANEOUS

We have been informed by memorandum from the FBI that their legal attache in Madrid has been approached by the information section of the Spanish High General Staff who expressed a desire to establish contact with a U.S. Agency having agents operating behind the Iron Curtain. This information was brought to the attention of our representative in Madrid who requested that the Bureau transmit it to CIA headquarters.

DD/P

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COPY # 7 OF 5. OCT 23 1951

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10/24 - [unclear]
JPM

DIRECTOR'S LOG

8:30 AM, 23 Oct. - 8:30 AM, 24 Oct.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

On 13 September 1951, OSO opened a bank account at the Manufacturers' Trust Company, New York City, in the name of Juliusz Katz-Suchy, as part of an effort to induce his defection. As a fourth Polish attempt to determine the origin of the account, the Polish U.N. delegate has now demanded all facts about the transaction from the Guaranty Trust Company, which opened the account for OSO, threatening to raise the matter "before a much wider forum", presumably the U.N. General Assembly. A full statement of the facts is being prepared for the Deputy Director, and the Chief, Monetary Branch, OSO Finance Division, will discuss the case with the Guaranty Trust on 24 October.

DD/P, in a conference in Naples with Adm. Carney, emphasized the importance of preserving the present productive liaison arrangements between OSO and the Italian Intelligence Services, explaining that Mr. Michael Mitchell was being assigned to the Admiral's staff for the express purpose of conducting liaison of this nature. Recalling that Gen. Eisenhower had brought this point to his attention, Adm. Carney indicated that he would respect CIA interests in this regard.

An OSO agent and a 2-man team have returned to Greece from missions in Sofia and in west-central Bulgaria.

OFC

Recruitment of officers has begun for the Bulgarian Guard Company in Germany. In addition, 61 Bulgarians have been recruited and 110 candidates are in process to fill enlisted ranks.

Rumanian King Michael has issued a hurried summons for Visoianu, President of the Rumanian National Committee in

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DIRECTOR'S LOG

8:30 AM, 23 Oct. - 8:30 AM, 24 Oct.

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OPC (Cont'd)

the U. S., to go to England. Because of this, it is suspected that the British and King Michael may have made some arrangements to begin Rumanian operations.

DD/A

Mr. Wolf held a conference with Commissioner Reynolds, Public Buildings Service, who has tentative designs for new building. He will forward these designs to us for consideration. Commissioner Reynolds has agreed that he can build an appropriate building, depending on the site selected, for \$25,000,000. All requirements are being reconsidered.

MISCELLANEOUS

Mr. Park Armstrong has informed Mr. Dulles that State has decided not to provide the Yugoslav Ambassador with a written record of the conversation between Ambassador Popovic and Mr. Higgs concerning alleged British and U.S. clandestine activities hostile to Yugoslavia.

Sent to DD/P &
AD/PC (no action
required)

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OCT 23 1951

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DIRECTOR'S LOG

8:30 AM, 25 Oct. - 8:30 AM, 26 Oct.

Noted by DCI
10/26/51 *lee*

TE OF DATE
CUMENT RECEIVED FROM TO SUBJECT ACTION

OPC

An AP dispatch of 23 October reports the conviction of 14 persons previously accused of spying in Albania for the U.S. and other nations. Four of these men were members of teams dropped into Albania by the U.S.

On 16 October a diversionary raid was conducted by Chinese Nationalist guerrillas from Chin Men Island. The area raided was the southern coast of Chin Men Province, approximately 23 miles southeast of Chin Men. The entire guerrilla force returned to the island after sinking three Chinese Communist sailboats, capturing two motor ships, and taking many prisoners.

OSO

The female Greek agent conducting the purported penetration of the Greek Communist Party in Athens has confessed under interrogation to having herself fabricated the entire case, including all notes, contacts, and the report that the Deputy ECA Administrator in Greece was to be assassinated. Interrogation is continuing to determine whether the operation may not in fact have been Communist-inspired and to explore possible future use of the agent along other lines.

Senior officers of the Guaranty Trust Company in New York will reply to the Polish U.N. delegate's demand for information about the bank account established for Juliusz Katz-Suchy in an attempt to induce his defection that their client has been informed of the complaint and that the bank considers the matter closed. Guaranty Trust is most cooperative, will divulge nothing further, and does not appear concerned by possible Polish action. A detailed report will be submitted to the Deputy Director.

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(CONTINUED) COPY # 1 OF 5.

OCT 28 1951

TOP SECRET

DIRECTOR'S LOG

8:30 AM, 25 Oct. - 8:30 AM, 26 Oct.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OSO Cont'd.

In an effort to improve political reporting in Indochina, the First Secretary of the US Legation in Saigon has requested State Dept. permission to establish a covert relationship with the Chief of French Intelligence in that area. CIA opposes development of such a relationship as prejudicial to the impending establishment of formal CIA-French Intelligence Liaison in Indochina. The State Dept. has accepted the CIA view and will so instruct the Legation.

Dutch Internal Security is secretly sending the recently-defected Czech Commercial Counsellor in The Hague to Canada and will publicize his defection on 30 October. His evidence will be used to crack down on firms engaged in illegal East-West trade and publication of the fact that the Czech Military Attache in Brussels was long penetrated by a Dutch-Belgian double-agent operation will, the Dutch believe, "set back Czech espionage in the Lowlands at least a year."

The Senior Representative in Paris reports that Pierre Boursicot, Chief of the French Secret Service, has told the French Prime Minister that he hopes to stay in office 10 years to accomplish his program. This contradicts a previous reliable report, supported by rumors in the French Service, that Boursicot would leave his post within a few months.

M. Robert Hirsch, Director of the French Surete Nationale, will arrive in Washington on 6 November with his subordinate, Auguste Sauzon, Chief of the Soviet Section, Surveillance du Territoire, for a ten-day visit, during which they will confer with CIA and FBI officers.

Air Commodore James A. Easton, Asst. Chief of the British Secret Service, offered to discuss mutual problems with CIA representatives in Hongkong, Singapore, and Tokyo during his trip around the world beginning 5 November.

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(Cont'd)

OCT 28 1951

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DIRECTOR'S LOG

8:30 AM, 25 Oct. - 8:30 AM, 26 Oct.

DATE OF DOCUMENT	RECEIVED FROM	TO	SUBJECT	ACTION
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MISCELLANEOUS

The Sec'y of Interior has forwarded a draft letter to the President concerning the request by High Commissioner Thomas that he be given assistance in establishing the headquarters for the trust territories in Saipan. The Sec'y of Interior has requested DCI's comments by telephone as soon as possible.

DD/P is preparing recommendations.

In a conversation between Mr. Dulles and M. deVosjoli it was indicated the French are concerned over events in North Africa and indicated that they would be most willing to participate with us in joint operations in this area.

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SECURITY INFORMATION
DIRECTOR'S LOG

10/27/62
8PM

8:30 AM, 26 Oct. - 8:30 AM, 27 Oct.

TE OF DATE
CUMENT RECEIVED FROM

TO

SUBJECT

ACTION

OSO

A French Communist "Titoist" group claiming members in the French CP Politburo has offered "extraordinary information" at a high price to the French Surete Nationale. OSO/Paris believes this group identical with that now being run through the former Surete chief, Pierre Bertaux, and surmises that the offer grows out of CIA's withholding funds which that group has requested.

M. Robert Hirsch, Chief of French Internal Security, told the Senior Representative in Paris that he is satisfied with present liaison arrangements with CIA, through which the bulk of French exchange information is channeled. This follows his earlier disclosure that the FBI had instructed its Paris representative to expand liaison with his organization. Confronted with the French statement that the FBI had requested separate liaison, the FBI representative in Paris stated that the FBI had assigned an additional man to Paris for this purpose.

Chief of Security, National Committee for a Free Europe, agreed with OSO and OPC representatives to improve the coordination and security of Radio Free Europe's overseas operations by consulting with OSO and OPC on overseas assignments of U.S. staff personnel and obtaining OSO security advice on Foreign nationals employed in staff positions abroad. RFE is not now willing to require its representatives to identify their sub-sources for similar security checking.

The future status and assignment of Mr. Charles L. Palmer, FBI/FEC Intelligence Officer who returned to the U.S. last June suffering from severe strain and fatigue, will be determined after recommendations to be made by the Chief, Medical Services, and the Legal Counsel following his return to duty on 22 October from extended leave. Since his return was required by the FEC Provost Marshall because of violation of SCAP regulations, it is unlikely that he can be reassigned within that command.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 26 Oct. - 8:30 AM, 27 Oct.

TYPE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION.

OPC

A special propaganda campaign in connection with the 34th anniversary of the October revolution is being prepared in Germany for Soviet occupation forces. Approximately 100,000 copies of four different publications are being prepared for distribution in the Soviet Zone through controlled channels.

A guerrilla team composed of 17 men, including two radio operators, was dropped on 16 October at Kwensong-bong, North Korea.

The first phase of ZRSUNBOW, a project which involves bringing 18 young Indonesians to the U.S. covertly for paramilitary training, has been successfully completed.

OO

Approval has been given for a new series of intelligence information reports, derived from the interrogation of German and Austrian scientists who are being repatriated from the USSR. The reports labeled "OO-G", will originate with REG--the Returnee Exploitation Group--(a Germany-based element of the DRC (G), Contact Division). The Scientific and Technical Intelligence Branch (STIB), which operates a counterpart of REG for the United Kingdom, will also contribute to this series.

MISCELLANEOUS

JSPD has forwarded for our comments a draft report on special operations which will ultimately be used to provide guidance to the U.S. Deputy representative to the standing group. A

DD/P

TOP SECRET

COPY # 1 OF 5. OCT 26 1951

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SECURITY INFORMATION
DIRECTOR'S LOG

Revised by DCI
10/30/62

8:30 AM, 29 Oct. - 8:30 AM, 30 Oct.

DATE OF DOCUMENT RECEIVED FROM

TO

SUBJECT

ACTION

OSO

Early in November, the Greek KKE main clandestine W/T base and an additional headquarters will be raided by the Greek Intelligence services with the secret cooperation of OSO. The traffic of this W/T base has been of interest to AFSA.

A Chinese agent in the Philippines, who has refused to accept Taiwan control, has been threatened with assassination by a Chinese Nationalist representative from Taiwan. The U.S. Embassy and Philippine authorities are being utilized to protect the agent.

The Paris Station was informed on October 26 by a representative of the French Internal Security Service that though he could not understand the reasons for the FBI having a man in Paris liaison with him was preferable to the FBI's running operations in France. Such liaison would permit greater emphasis on Soviet satellite targets with OSO.

Chiefs of both the Internal Security Service of France and the Foreign Intelligence Service have separately informed Mr. Thayer that they have agreed that foreign embassies and operations connected with them come under the jurisdiction of the Foreign Intelligence (SDECE).

MAAG has been suggested as the best cover for the Clandestine Planning Committee by the Senior Representative, France, and the Chief, U.S. Army Section of MAAG in France, has the matter under consideration.

The OSO representative in Cyprus has cabled that according to all of his sources (which include the local British authorities) the possibility of an immediate Communist uprising in Cyprus is extremely unlikely.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 29 Oct. - 8:30 AM, 30 Oct.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC

Radio Tirana reported on 24 October the liquidation of 13 U.S. espionage agents who had been dropped into Albania. Of the 8 men mentioned by name, 6 were members of CIA teams. This announcement, coupled with testimony at the Tirana spy trials, indicates that the Communists may know of the covert training school for Albanian and Bulgarian agents at the Hambuchen Estate near Munich. It also raises the possibility that Communist agents have penetrated the National Committee for a Free Albania as well as the possibility that a 2-man team which parachuted into Albania last May is under Albanian control.

In view of possible penetration, consideration is being given to applying polygraph tests to the Military Junta of the NCFA, members of the Executive Committee and agent selectees. The status of the covert training school also is being examined with a view to moving the training activities to a new site.

OSI

[redacted] suggest that the JAEIC prepare a standard order of procedure for disseminating information on foreign atomic energy developments such as the Russian atomic explosions. This procedure will insure notification immediately of each Government official with a "need to know". It will also contain instructions on the manner in which the information is to be passed to each designated official.

Legislative Counsel

Office of Roger Jones, Asst. Director for Legislative Reference, Bureau of the Budget, called Mr. Pforzheimer to state that in view of the CIA letter on the legislation for the exchange of atomic energy info as well as a similar letter from the AEC, the President was considering issuing a statement when he signs the legislation indicating the defects in the bill. The President plans to point

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8:30 AM, 29 Oct.- 8:30 AM, 30 Oct.

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Legislative Counsel (Cont'd.)

out that the legislation impinges unduly on the prerogatives of the Executive, particularly in that each exchange must be placed before the Joint Congressional Committee on Atomic Energy for 30 days prior to taking effect. In reply to their question, Mr. Pforzheimer stated that CIA would take no position as to whether the President should or should not issue such a statement. HE indicated that CIA had been concerned about the delays in exchange which the complicated mechanism of the Act would entail.

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Revised by DCI

DIRECTOR'S LOG

8:30 AM, 30 Oct. - 8:30 AM, 31 Oct.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OPC

Under the NSC-26 Oil Denial Program, a contract has just been concluded with the Arabian-American Oil Company whereby CIA has advanced to the Company \$350,000 toward the purchase of well-cementing and perforating equipment.

OSO

The Chief of Station at Fort Amador, C. Z., is exploring the possibility of a site within the Canal Zone for a disposal center. The Executive Secretary of the Panama Canal has authorized the station to survey possible sites in the belief that the Governor would be willing to cooperate in such a project.

This action is being taken in view of difficulties being encountered in negotiating for San Jose island.

MISCELLANEOUS

Mr. LeBaron has approved our request that certain members of the National Estimates Board be allowed to attend the periodic class conducted at Sandia.

AD/NE

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DIRECTOR'S LOG

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8:30 AM, 31 Oct- 8:30 AM, 1 Nov.

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OSO

A Moscow broadcast on 26 October mentioned an "electrical torture machine handled by American Robert Driscoll, an employee of the American Embassy in Athens." This propaganda, published in a Pravda article on the "Bloody Crimes of The Greek Monarcho-Fascists", obviously refers to the use of the polygraph in connection with the interrogation of certain Greek Communist personalities in the presence of Mr. Driscoll who until recently was in charge of the OSO anti-Communist project in Greece but is now stationed in Headquarters.

On 26 October, Otto SKORZENY showed the Assistant Air Attache, Madrid, Spain, copies of reports allegedly intercepted by a group which has penetrated a Russian net operating against HICOG in Germany. The OSO representative in Madrid will continue efforts to obtain copies of these reports from SKORZENY.

The official British visit to ZIPPER at Pullach will take place on 6 and 7 November. British officers attending will include Gen. Kirkman, Chief of Intelligence for the British High Commissioner, and Mr. Simon Gallienne, Head of the MI-6 Station in Germany.

OPC

Radio Tirana reported on 25 Oct. the elimination of 7 additional spies who had been parachuted into Albania. It identified the men as British Intelligence agents.

To improve the security of CIA-directed operations against Albania, the Executive Committee and the Military Junta of the National Committee for a Free Albania and the Albanian Guard Company in Germany will be excluded from 1952 activities. As an additional precaution, agent training will be moved from the present training site in Germany.

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OPC Cont'd.

The group of young Indonesians picked up off the northern coast of Celebes Island by a CAT PBV on 25 Oct. arrived at Fort Benning on 31 Oct. to begin covert paramilitary training.

MISCELLANEOUS

[Redacted]

DD/P

As a result of a decision made by PSB, a meeting has been called for 2 Nov. to discuss the establishment of a panel comprised of agencies concerned with the refugee defector problem. W. Gates Lloyd has been designated as the CIA Member to attend this meeting.

DD/P

30 Oct. John R. Steelman DCI

Advising us that the Federal Civil Defense Administration has available for Government showing 3 of a projected series of 9 movies on our civil defense program - e.g. "Survival Under Atomic Attack", "Fire Fighting for Household", and "What You Should Know About Biological Warfare".

DD/A

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11/2/51
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DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 1 Nov. - 8:30 AM, 2 Nov.

OSO

On 25 October, Tirana radio announced the death of three agents, parachuted into Albania allegedly "by the British Intelligence Service". These men, in fact, belonged to a four-man mission sent into north Albania by OSO from Greece. One member of the team escaped; he arrived in Greece about 22 October, but no debriefing of him has yet been received.

Alexander Vasiljevich Kliukin, Soviet citizen who was taken into custody by Norwegian police when he crossed the border from USSR recently, now admits to police that he was sent on a one month's mission which was to take him to Stockholm and Finland before his return to Russia. Norwegian I.S. is keeping OSO in Oslo informed.

Talks with Dr. Thede Palm, chief of Swedish Intelligence, are progressing smoothly. Dr. Palm plans to leave this weekend for a week's visit to New Orleans. He will return to Washington for the weekend of 10-13 November and leave New York for Sweden on 16 November.

OSO recently asked the Canadian Under-Secretary for External Affairs for permission to interview and interrogate a group of Polish refugees who have recently arrived in Canada. The Canadian response acceded fully to the OSO request, and will meet our requirements. General Foulkes, Chairman of the Canadian Chiefs of Staff, intends to discuss this exchange of intelligence with the DCI in the near future.

British authorities in Hong Kong appear to be making a determined bid to reduce the scope of CIA activities there. Whether the instigation for these British activities stems solely from the policy of the local Hong Kong Government or has been directed from London cannot yet be determined. The OSO representative

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OSO (Cont'd)

has reported the above situation to Washington in detail and has requested that Headquarters undertake a review of our Hong Kong liaison arrangements with the British in order to protect our intelligence assets. Such a review is in progress and recommendations will be made for the handling of this situation.

OPC

A mob of 300 East German laborers is reported to have stormed a jail in Saxony and freed two fellow workers. The move was without obvious political overtones but one of the workers freed and the chief of the jail, who ordered the release ostensibly to prevent bloodshed, are both secret members of the CIA-sponsored League of Freedom-Loving Lawyers.

MISCELLANEOUS

Alexandra and Ilia Tolstoy and Boris Sergievsky have requested appointment with Sec'y of Defense to discuss "new developments in Russian situation". Sec'y Lovett has asked CIA for background of this delegation and advice as to whether or not he should receive them.

DD/P

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8:30 AM, 2 Nov. - 8:30 AM, 3 Nov.

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OSO

The Swiss Government has just discovered four hidden microphones in the chancellery of their legation in Moscow. The microphones had been installed in radiators in such a way as to defy discovery by the usual mike detectors. This information will be given extremely restricted distribution so that American missions in Soviet and satellite countries may be alerted.

British Secret Service, informed by Norwegian Intelligence of the arrival in Norway of a Soviet agent, Alexander V. Kliukin, now in police custody, proposes that a joint interrogation brief be prepared if early British and American questioning suggests its value.

Mr. Gerald Miller (OPC) and Mr. Richard Helms (OSO) have been assured by Generals Schuyler and Schow in Paris that SHAPE will not give support to General Anders and his committee of generals.

Col. Goldbranson, USAF, called on ADSO to discuss the problem of deception as related to the development of double agents. He represented the Air interests in a subcommittee under JCS comprised of all the services, State, FBI and CIA concerned with this subject. He asked for CIA support in developing greater activity in this field, which will be given. He is proposing a report showing the efforts of the past year with the assets that have developed therefrom, to be presented to the board working on this subject. The presentation of this report should indicate need for greater emphasis on the subject of deception at the highest level.

Sixteen members of Indonesian Intelligence have been picked up covertly in Indonesia and transported to the United States

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OSO (Cont'd)

to begin training under the joint auspices of OSO/OFC. In connection with their trip to the U.S., OSO is currently sponsoring the visit to this country of Sumitro Kolopaking, Deputy Chief of Indonesian Intelligence, and Purbojo Kolopaking, his son and principal aide.

Horia Sima, a leader of the Rumanian Iron Guard in exile, spent three weeks in Spain where he interviewed U.S. Air Attache Colonel Milton M. Towner. Sima stressed the need for arms, money and medicine to support Rumanian guerrillas, allegedly holding out in the mountains of Rumania.

Agreement in principle and in detail has now been reached between representatives of G-2 GSUSA, G-2 USFA and OSO concerning the turnover to OSO of Detachment 35, USFA's positive collection unit in Austria. Representatives of G-2 GSUSA, as the next step, will obtain General Bolling's agreement prior to an official approach to the DCI for concurrence.

OFC

Thirty-five thousand leaflets were dropped over Chekiang and Fukien Provinces by Chinese Nationalist Air Force planes in CIA-directed operations between 22 and 25 October. On 24 October two companies of the CIA-supported Fukien anti-Communist National Salvation Army landed at Liu-ao in Fukien Province, capturing the militia chief, 18 riflemen, ammunition and documents.

Fifty candidates for the Bulgarian Guard Company will be flown from Naples to Germany on 2 November. Other Bulgarians assigned to the Company in Germany have been

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OPC (Cont'd)

reporting for duty and company strength is expected to exceed 100 by 15 November.

MISCELLANEOUS

General Bolling has forwarded a copy of the agreed intelligence considerations pertinent to the drafting of the Contractual Agreements between the Tripartite Powers and the German Federal Republic, with the recommendation that a subcommittee of the IAC be appointed to effect the necessary intelligence planning incident to the new U. S. relationship with the German Republic.

Mr. Reber to coordinate with DD/P

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8:30 AM, 3 Nov. - 8:30 AM, 5 Nov.

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OSO

A recent report on Communism in Pakistan received by OSO through liaison with the Pakistan Intelligence Bureau has been given the highest possible evaluation (A-1) by the Department of State.

Chief, NEA (OSO/OPC), called upon Mr. Graham, Ass't Sec'y of the Treasury on 31 October, to discuss the possibility of T-man cover for CIA personnel abroad, specifically at Tangier, Beirut, Teheran, and Alexandria. Mr. Graham was most receptive to the idea and has arranged for Chief, NEA, to discuss the matter in detail with the Commissioner of the Narcotics Branch of the Department of the Treasury on 5 November.

An OSO representative met with Ambassador to Ceylon Joseph Satterthwaite and Mr. William Witman, Chief of the India-Nepal desk, at the Department on 1 Nov. to discuss, at the Ambassador's request, operational and security matters relating to the recently opened OSO station at Colombo.

OO

Three Polish army privates, who defected to the French in Berlin on 20 Oct., have arrived at the Defector Reception Center (Germany), and are undergoing preliminary interrogation.

OSI

Reference is made to the log item of 31 Oct 51, covering a conversation between Dr. Chadwell and Dr. Colby of AEC. Dr. Colby has reported that the matter was discussed with Mr. Gordon Dean. Mr. Dean feels there is no need of the suggested conversation between DDCI, AD/SI and Dr. Colby, and a letter has been prepared to this agency covering the Commission's position. This letter should be received within the next few days.

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Thomas Lanphier, referred to CIA by Jimmy Lay, talked with Mr. Dulles and Col. Muller on 2 November. Lanphier, acting as a spokesman for United Fruit Co. and Electric Bond and Share Co. offered the use of the facilities and personnel of these organizations to assist CIA in any extant or contemplated operations to combat Communism in Guatemala.

DD/P advised. Col. J. C. King will have further discussions with Lanphier.

OPC

A CIA agent sent to Marshall Tito's recent International Conference for Peace in Zagreb with specific instructions to combat the expected neutralist line successfully did so in a speech reported on 25 October in the NEW YORK TIMES and the New York and Paris editions of the NEW YORK HERALD TRIBUNE. In the course of the conference, the agent was appointed to the Resolutions Committee where he played a critical role in a small drafting group. He was also elected to the Executive Board of seven within the Continuation Committee.

Three men of a five-man CIA agent team in Albania have returned to Greece through Yugoslavia. Radio Tirana had reported the annihilation of 13 U.S. agents in Albania. On the basis of that report, it was believed that the three-man team which has just returned to Greece had been wiped out. The agents say they were separated from the other two members of the team during a fire-fight. Another team in Albania also has been contacted by radio but the message they sent was undecipherable.

A 140-ton Chinese supply boat enroute from Dairen to Antung with a 13-man crew was captured 10 miles off the Manchurian coast on 28 October by the CIA-controlled Korean fishing vessel SEA WOLF.

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OPC (Cont'd)

Conferences between CIA officials and Dr. Palm, Chief of the Swedish Intelligence Services, have been concluded with generally satisfactory results. Dr. Palm has indicated his unwillingness to participate in any Swedish-based OPC type operations concerned with Finland.

A compromise operations plan has been drawn up for "The Stalin Portrait" project which will satisfy the objections raised by the officials of the Paix et Liberte organization while leaving the door open for eventual expansion of the project as originally contemplated if it is later deemed advisable. Under the new arrangement, 150,000 post cards are to be mailed in various European countries. Approximately 100,000 of these will go to France and Italy. The cards will carry a message to the effect that additional post cards and posters can be obtained from a given Paris address. No mention of sponsorship by the Paix et Liberte organization will be indicated on either the cards or the posters. The initial distribution will be made to a carefully selected list of intellectuals, including journalists, educators, and professional people. It is expected that these, in turn, will effect a further distribution of additional copies to the masses, thus achieving essentially our original objectives. The total cost of the initial distribution, planned for mid-December, is estimated at \$10,000. Follow-up reports will be made when the results of this planned distribution are indicated.

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8:30 AM, 6 Nov. - 8:30 AM, 7 Nov.

OSO

OSO representatives briefed Brigadier General Harmony, Chief of the U.S. Military Mission to Yugoslavia, on the OSO mission and interest in Yugoslavia, including the current effort to establish liaison with the UDB. General Harmony agreed that such liaison can best be brought about by confining it to the CIA channel and advised that he intends, in the interest of his own mission, to avoid any connection with clandestine intelligence and to attach no intelligence officers to his staff.

A section headed by Colonel Tufts has been set up under the Plans and Operations Staff of SHAPE to administer SHAPE affairs which involve the Clandestine Committee of the U.S., British, and French Intelligence Services. The section operates under the direct command of U.S. General Bowen, Deputy to French General Bodet.

Brigadier Richard Gambier-Parry, Director of Communications for the British Secret Service and the Foreign Office, is now in Washington and will call on CIA officials.

OO

Two young Hungarian Air Force sergeants who flew a training plane into Western Germany last February have reached the United States from the Defector Reception Center (Germany). They will be held here temporarily en route to Honduras, where Contact Division has arranged for them to work for the subsidiary of an American company.

OPC

A meeting has been in progress since 2 November between representatives of the Great Russian Emigre groups and

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OPC (Cont'd)

representatives of six national minorities. These discussions have been reported as encouraging as of Monday, 5 November, but there is, as yet, no certainty of success in this attempt at unifying all these groups into one effective resistance front.

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OSO

Col. Louis Einthoven, Chief of the Dutch Internal Security Service, expressed regret through the British Secret Service representative in Brussels that there was no tripartite British-Dutch-U.S. coordination of action against the recently-defected Czech Commercial Attache in The Hague and the Czech Military Attache in Brussels. This appears to initiate a British-Dutch effort to persuade CIA to conduct joint operations in Holland.

Brigadier General Henry A. Barber, Jr., Senior CIA Representative in Spain, is scheduled to depart from New York 10 November 1951 on the SS Constitution. He will arrive in Madrid approximately 18 November 1951.

Colonel Thomas Betts, Senior CIA Representative in London, will return to Headquarters on 12 November 1951.

OPC

L.K. Taylor, former partner of Whiting Willauer in the predecessor company of CAT, is bringing suit in Taiwan against Corcoran et al alleging that Taylor, as a shareholder of the former company, was not paid his share of the proceeds realized in the sale to the undisclosed purchaser (U.S. Government). Despite strong representations by Mr. Willauer, Minister Carl Rankin and others that the matter be settled out of court, Taylor remains adamant in his contention that he has been defrauded by his former associates and is proceeding to sue. No disclosure has been made, to CIA's knowledge, of the U.S. Government's interest in CAT although Minister Rankin in his discussion with Taylor emphasized that CAT was performing vital services for the U.S. Government which would be prejudiced if Taylor sued. Col. Stilwell is seeing Corcoran to secure his agreement to settle the case out of court.

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OPC Cont'd.

The cover of a CIA representative sent to assist in the covert exploitation of the UN session in Paris has been jeopardized by an administrative telegram from the U.S. Embassy there to the State Dept. which was inadvertently transmitted in the clear and given wide distribution in the Embassy. The State Dept. is now considering a CIA proposal to allow its representative to remain provided his contacts with Embassy officials are made through cutouts.

The Wiesbaden conference between representatives of the Great Russian Emigre groups and of 6 national minority groups adjourned 6 Nov. The various groups represented agreed on a protocol, but could not agree on a name for the organization, as a result of which the protocol was not signed. A press release is being issued in Frankfurt stating that the groups have met and agreed to come together against the common enemy. Another meeting has been planned for 14 Dec.

The OPC-supported League of Freedom Loving Lawyers received information of 90 specific illegal German East-West trade transactions during the month of Sept. Working with the interzonal customs service, this organization assisted in preventing delivery of strategic materials and machines in a number of cases. The League recently instituted an economic section which compiles relevant facts and figures on the East Zone economy.

MISCELLANEOUS

Gordon Gray has furnished DCI and D/DCI with copies of a paper, prepared by PSB Staff on "Psychological Strategy in the Ensuing Years." Mr. Gray sent the paper to Mr. Lay for NSC Staff consideration in connection with its reappraisal of "US Programs for National Security" (NSC 114/2) including revision of Part I, "Probable Developments in the World Situation." Mr. Lay has referred the paper to the Sr. NSC Staff.

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8:30 AM, 8 Nov. - 8:30 AM, 9 Nov.

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OSO

The Swiss have arrested an agent who admits to having operated against Swiss laboratories and industries in the employ of Commander John McMullen, former Asst. U.S. Naval Attache in Bern, who studied at the Federal Technical Institute in Zurich. Swiss Military Intelligence reports that the agent will probably not be prosecuted, since McMullen is no longer in Switzerland. McMullen's activities are considered reprehensible, however, and Swiss laboratories are being warned against U.S. students.

7 Italian Intelligence officers, key men in the Italian stay-behind program, will receive short individual orientation courses in the United Kingdom this month. Although the British have requested absolute secrecy on this instruction, OSO has been informed in confidence by responsible officials of the Combined Italian Intelligence Service. Limited Training Division facilities make it presently impossible for OSO to offer similar assistance to the Italians.

Stressing the extreme delicacy of the matter, the Chief of Dutch Foreign Intelligence has requested CIA assistance in removing from Vienna to Holland a quantity of Dutch stocks and bonds lost or stolen during the war and worth many millions of guilders. The problem is being examined.

Conversations with M. Robert Hirsch of the French Surete Nationale concluded yesterday with agreement on exchange of reports on illegal Communist activities with CIA. Hirsch reported that he refuses to pay an alleged deviationist group of French Communists for information. He advised also that intelligence coverage of France under a Soviet occupation is being studied with the French Secret Service.

Gen. Endre Zako, Hungarian leader in exile and key figure in the fabrication of intelligence information on Central Europe, has

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OSO Cont'd.

again offered to collaborate with Italian Intelligence. His proposal will be rejected at OSO suggestion.

The Chief of Norwegian Intelligence now appears to recognize that such incidents as the close-mouthed refusal of 2 of his officers recently sent to Washington for training to state their specific needs can hurt relations between his Service and CIA.

Commissioner Harry J. Anslinger, Chief of the Treasury Dept. Bureau of Narcotics, has agreed to furnish cover for OSO officers assigned abroad in appropriate cases. A detailed plan to be worked out for his approval will require knowledge of the arrangements in State Dept. by 2 or 3 high-level officials only.

OPC

The most recent evaluation of material pertaining to the Dalai Lama indicates a rapidly decreasing possibility of attempted flight by him before weather conditions close the passes in January. The Dept. of State has instructed its representatives in India to make a final attempt at encouraging the Dalai Lama's departure on the grounds that unless he succeeds in leaving immediately he may never be able to leave.

Negotiations for the leasing of San Jose Island Panama to serve as a site for a defector reception and rehabilitation center have been abandoned. Although the owner of the Island was agreeable and cooperative there was parliamentary opposition and it was not possible to secure the degree of control over the property necessary. There are several other possibilities in Central America, however, and 2 CIA representatives are now in the area exploring them.

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MISCELLANEOUS

Mr. Lanagan of Averill Harriman's office telephoned to suggest that we might like to speak to Dr. Bela Fabian, a Hungarian author and a mainstay on the Committee of Iron Curtain Countries. Fabian, has already spoken to David Lloyd of the White House staff and to Adm. Souers. A meeting has been arranged between Dr. Fabian and Mr. William Breitmeyer, OSO.

Last May the President asked NSC for advice on a proposal for transfer of the Point IV Program from State Dept. to Economic Cooperation Administration. The President has now cancelled this NSC project in view of his approval of the Executive Order providing for the Administration of the Mutual Security Act and Related Statutes.

Mr. Lay has informed NSC that to improve effectiveness of port security program the President has approved recommendations of a Joint Navy Dept.-Treasury Dept. Committee that: an Executive Order be promulgated to prohibit Soviet and Soviet-satellite vessels from entering certain major ports; FBI appropriations be increased to permit employment of personnel to expand the current screening program of seamen and longshoremen; additional Coast Guard patrol vessels and fire boats be procured; and intelligence operations be improved so as to obtain advance information on movements of shipping. These recommendations were presented to the President by Adm. Dennison with the statement that no action is needed on the recommendation for improved intelligence as DCI is fully aware of the problem.

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OSO

Plans have been made to arrest some 50 leading Greek Communists in the Athens area on 12 Nov with simultaneous raids on 2 clandestine radio transmitters. Greek Security officials are acting with the approval of the Ministers of National Defense and Interior, but the Prime Minister will not be briefed until the time of the arrests.

US Ambassador Peurifoy, informed by OSO/Athens, approves the action & volunteered support if needed.

A professional arms dealer known to the US Naval Attache in Paris has offered to furnish info making possible the interception and confiscation of a shipment of war material from Europe to Communist China in return for 25% of the value of the cargo, if the operation is successful. The Naval Attache believes that the dealer, having already received payment, hopes in this way to collect again.

The proposal is being examined.

Lt. Col. Juan Dominguez Catalan has replaced Lt. Col. Antonio Cores Fernandez-Canete, Chief of the Information Service (intelligence collection organ) of the Spanish Gen. Directorate of Security (DGS). This shift is part of a reshuffle of DGS personnel following the appointment last August of Brig. Gen. Rafael Hierro Martinez as Director. Its bearing upon the currently developing CIA liaison with Spanish Intelligence cannot yet be evaluated.

By memo to the Asst. Sec'y of State for European Affairs, the US Political Advisor in Trieste has highly commended Mr. Burton B. Lifschultz, former Chief, OSO/Trieste, and Mr. John Parangosky, OSO officer under State cover in Trieste. Mr. Lifschultz is now attending the Nat'l War College as a representative of CIA.

Mr. Parangosky & Mr. Lifschultz are being informed through channels.

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OSO Cont'd.

Sir Percy Sillitoe, Director General of the British Security Service, arrives in San Francisco on 10 Nov. from New Zealand. He will return to London without visiting Washington unless the DCI or the Director of the FBI wishes to see him.

Sir Percy's local office will query FBI. ADSO has nothing for him.

OPC

Gen. Ralph Lovett, Chief, Veterans Administration, Philippines, (fully cleared by CIA), has agreed to devote part time to OPC activities and, in particular, to act as titular head of OPC station effective on Col. Lansdale's departure for Washington and pending designation new OPC Chief. Gen. Lovett's prestige will be of great assistance on policy matters with senior US and Philippine officials in the area.

Col. Stilwell will see Mr. Carl Gray, Chief, Veterans Administration, and secure his approval of this arrangement.

CIA's Saipan paramilitary training base has been notified by H.M. Hedges, Interior Dept's District Administrator at Saipan, that on 5 Nov. Knight Aulsbrook, Interior's Attorney General at Guam, made the following statement: "The Far East Foundation, Inc. is training Chinese guerrilla warfare personnel for future use against the Communist regime in China." Aulsbrook interrogated Hedges thoroughly on the activities of the Far East Foundation, Inc., the organization which covers CIA activities on Saipan, indicating that authorities at Guam were actively interested in the Foundation and intended to investigate the matter further. Hedges is cleared and aware of the true nature of the Foundation; Aulsbrook is not. The I&S Staff has recommended that the matter be taken up with the Interior Dept. at a high level.

Col. Stilwell is requesting DD/P to take action.

On the night of 7-8 Nov., a covert CIA aircraft dropped 500,000 leaflets over Albania. The leaflets, entitled "Our Reply to the Communist Terror" gave specific instructions to the Albanians to avoid overt acts but to support agents of the Nat'l Committee for a Free Albania. This drop was important and timely in that it will show the people that the CIA-supported NCFB is not abandoning

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NOV 8 1950

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DIRECTOR'S LOG

8:30 AM, 9 Nov. - 8:30 AM, 10 Nov.

DATE OF DOCUMENT	RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC Cont'd.

its efforts despite recent setbacks.

A second W/T contact was made with a remaining CIA agent team in Northern Albania on 5 Nov. The message said that the 2-man resupply drop was received but that half of the supplies fell into the hands of the enemy. It is presumed that the message refers to the 15 Oct. drop of 26 containers and 2 W/T operators.

An inspection of all cache locations in the US Zone of Austria was carried out by a staff member unfamiliar with them, using the written descriptions of the cache sites. He located all the sites easily and found that one had been tampered with, although the equipment had not been removed.

Arrangements have been made to relocate this equipment elsewhere.

On 1 Nov., the opening day of the Communist-sponsored World Peace Council in Vienna, members of the OPC subsidized Union of Construction and Wood Workers put up 6200 posters in the Western sections of Vienna satirizing the "Peace Dove" theme. An additional 20,000 small stickers were put up in the Soviet sectors of the city. The Austrian police arrested 16 Union members during the operation, but released them all immediately.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 13 Nov. - 8:30 AM, 14 Nov.

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OPC

The JCS gave full approval of 9 November for use of the Joint American Military Mission to Aid Turkey (JAMAT) as cover for CIA-controlled Paramilitary operations in Turkey and Turkish based CIA-controlled operations into the Balkans and the USSR.

A third contact was made with the CIA-controlled agent team in Northern Albania on 8 November. The team reported the loss of one man who was captured by the enemy and requested additional supplies to replace those lost in the resupply drop of 15 October.

The Commanding Officer of OPC's facility at Camp Chinen, Okinawa, has requested authority to terminate the contracts of 2 employees, Kirby Atterbury, Jr. and Fenton Kilkenny. Atterbury, OPC supply officer at nearby Kadena Airport, has shown complete reluctance to cooperate with his superiors and has possibly mishandled government funds. Kilkenny, an administrative assistant, has not performed his duties satisfactorily and was last reported AWOL.

Headquarters has granted the authority requested and instructed the field to furnish details of the possible mishandling of funds. Atterbury & Kilkenny will be returned to US held for debriefing & investigation and then discharged.

Carrier Task Force 77 carried out an air strike on a labor party office, security office, and troop barracks in Kapsan, North Korea, on 29 Oct. on the basis of intelligence furnished by CIA-controlled guerrillas in the area. The guerrillas reported on 30 Oct. that 520 of the enemy were killed in the raid, including 40 officials of the labor party, 31 officials of the local gun committee, 76 anti-guerrilla trainees, 300 North Korean soldiers, and 11 civilians. Aerial photographs confirmed complete destruction of the three targets.

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Training

Arrangements have been completed to conduct, beginning Monday, 12 November, short-term training programs for military personnel assigned to CIA but awaiting full clearance. Entrance dates for these groups will be every three weeks. The training period will be 3 weeks, or as much longer as is required for full clearance. Training will comprise appropriate individual work projects, attendance at lectures and discussions of the Unclassified Training Group A, a course in Reading Improvement, and a general reading project.

In Project ISOLATION (Camp Peary) Air Training Branch personnel have inspected the site for location of air strip and jump ground and Maritime instructors have visited the site to prepare requirements for Maritime activities.

In Project ZRCORSET (Grand Bahama Island) conferences were held in accordance with DD/A directive for establishment of AEC cover. Initial AEC reaction was unfavorable.

Conferences continuing.

ORR

The ORR Panel of Aeronautical Consultants (consisting of some 32 knowledgeable persons in the aircraft industry, the air research and development field, the US air power program, the Weapons Systems Evaluation Group, the USAF, the Office of Naval Intelligence, and CIA air intelligence personnel) concluded a 4-day meeting discussing better ways to evaluate the economic input capabilities and vulnerabilities of the Soviet air power. The full proceedings were recorded, are now being studied, and will prove of value in focussing ORR efforts into the most productive channels.

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MISCELLANEOUS

A CIA recruiting officer recently visited the Executive Officer of the US Merchant Marine Academy at Kings Point, New York. He was well received and has established a liaison for the purpose of attracting certain of its graduates to the Agency.

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DIRECTOR'S LOG

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DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 13 Nov. - 8:30 AM, 14 Nov.

OSO

Mr. Freer, Deputy Chief, FDP/OSO, discussed final arrangements for the specialized training in Germany of 2 Greek Air Force pilots with Air Marshal Kelaidis, Chief of the Greek Air Ministry currently in the US. After training, the pilots will fly aerial photographic missions from Greece over Bulgaria and Rumania in an RF-51 aircraft furnished by the USAF for this purpose and may later perform missions over the USSR.

Construction of a building to house both the British Security Service (MI-5) and the British Secret Service (MI-6) has begun in London, foreshadowing closer functional coordination of the two services. Since completion is 2 years away, this information is being withheld from most British Intelligence officers.

A French official has told OSO/Paris that Brig. General Pierre Louis Carolet is being considered as successor to M. Pierre Boursicot, Chief of the French Secret Service. Gen. Carolet, now in Berlin, was mentioned as a candidate for the position in 1947, when M. Boursicot was appointed.

A misunderstanding between OSO/Hanoi and the local U.S. Military Attache, which arose from the latter's misconception of OSO raw intelligence reports as infringing upon his responsibility for evaluated military analyses, has been fully clarified, with close and informed cooperation expected in the future. Mutual benefit will result from local coordination permitting more prompt assessment of the accuracy of agent reporting on military matters and closer direction of agents toward military intelligence targets.

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OSI

Gen. McClelland and Mr. Ralph Clark met with Rear Adm. Redman, Chairman, Joint Communications and Electronics Committee of the JCS to discuss the establishment of a consolidated Army, Navy, Air Force Group including CIA support for the analysis of the results of "Ferret" and other listening activities. It was indicated by Adm. Redman that it would be difficult to establish the Group with full CIA participation under present JCS policies. It was agreed, however, to establish the activity as an Army, Navy, and Air Force operation with provisions for CIA to lend technical assistance and supply personnel.

During [redacted] visit agreement was reached on the need for [redacted] conference in the fields of Physics, Electronics and Guided Missiles. It was also agreed to consider at a later date the possibility of holding a conference on EW and CW.

OPC

CIA-controlled North Korean guerrillas rescued a downed U.S. Marine pilot on 31 October.

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Notes by DCI
11/15-200

4PM

8:30 AM, 14 Nov. - 8:30 AM, 15 Nov.

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OSO

General Truscott reported that EUCOM will continue to supply CIA elements under Army cover with Deutsche Mark support for supplies and services chargeable to occupation costs. No dollar support is being considered, with the exception of the EUCOM contribution for ZIPPER. Previous HICOG support to CIA will be continued. This situation should prevail for at least the next six months, after which developments will be governed by the terms of the Allied-German contractual agreements.

Representatives of OSO, OPC and Finance Division discussed with General Foster and DD/Admin the possible use of a French bank charter now held by an OSO agent as an over-all CIA asset for OSO/OPC operational purposes and Finance Division funding activities.

OPC will outline in detail its need for such a facility for study by the Projects Review Committee and DD/A.

DADSO and Mr. D. M. Ladd, Assistant to the Director, FBI, met with members of their offices in the first monthly conference. Liaison, operational, and administrative matters were discussed for a possible December agenda. Problems unresolved at the liaison level will be placed on each monthly agenda; urgent problems will be cause for special meetings. CIA will be invited to the IIC when subjects of CIA interest are involved. Mr. Ladd was given a copy of CIA's message to the field on CIA/FBI cooperation. Legal Attaches will be briefed on relations with CIA.

Queried on an OSO/Budapest report that Army Attache Lt. Col. John Lanterman is shortly to be relieved, Army advised that the departure of his successor is imminent. Since G-2

An effort is being made to arrange a last minute briefing.

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OSO (Cont'd)

had not informed OSO of this personnel change, there has been no opportunity to brief the new attache on OSO representation in Budapest, possible operational collaboration in the field, and local security problems to be anticipated.

It now appears that U. S. Ambassador to Hungary Christian M. Ravndal has not intended, in expressing his high esteem for Mr. Robert D. Gahagen, Chief, OSO/Montevideo, during the Ambassador's recent assignment in Uruguay, to make a formal request for Mr. Gahagen's transfer to duty in Budapest and now feels that he may have gone too far in his letter of commendation.

In view of adverse security factors and in the belief that the Ambassador will not press the matter, the proposed transfer will be dropped.

OSO and British Secret Service representatives are coordinating jointly with Norwegian intelligence on action in the case of a Soviet defector who crossed the Norwegian-USSR border on 19 October and whom the Norwegians will release to US-British custody for interrogation in Germany.

OO

The Defector Reception Center (Germany) received on 13 November a former Senior Lieutenant in the Polish Army who defected on 7 November from the Eighth WOP (Border Guard) Brigade.

OSO is conducting preliminary interrogation to determine the defector's bonafides.

OPC

OPC Taipei reported on 9 November that a Walter Nyi was identifying himself as associated with the "Central Information Bureau" which he described as "official U.S. Government." Nyi further stated that he knew the true identity and nature of BGMARQUE.

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OPC (Cont'd)

Nyi was a key man in the Li Mi operation. He possibly tried to wreck the operation and he was certainly responsible for failure to send Li Mi an airdrop at a critical moment. OPC Bangkok is convinced that Nyi is a high level intelligence agent working either for KMT or the British.

Efforts are now being made to arrange for Nyi's entry into the Philippines. Ultimate disposal will be considered thereafter.

A CIA-sponsored group in West Germany has released to the press evidence that 31 members of a Communist Youth organization have been secretly tried for sabotage and failure to prevent large scale anti-Communist propaganda activities during the East Berlin Communist Youth Festival. In addition, the same organization released the fact that members of the Communist youth organization from the Western Zone were being taken to the Soviet Zone of Germany and given paramilitary and political training.

Cache material in the Western Zone of Austria, which a recent inspection showed to have been disturbed, was relocated on 17 October.

The Minister of Interior of Chile on 5 November prohibited the Communist-sponsored Hemispheric Pro-Peace Congress, planned to be held in Santiago during November. This action was taken on the basis of a report by a high Chilean official based on data supplied to him by CIA.

The Santiago station of CIA is now mounting a propaganda campaign to support this action and counteract any Communist attempts to have the Chilean Congress override the Minister's decision

As a result of CIA operations during the past several months, the Chilean Communist party has been split into 2 factions. The splinter group, the Chilean Nationalist Communist party, was formally launched on 7 November. This group, which continues to receive support from CIA, is strongly opposed to Cominform and Moscow domination.

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8:30 AM, 15 Nov. - 8:30 AM, 16 Nov.

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OSO

The Chief of the Dutch Internal Security Service (BVD), who learned during a trip to Brussels that "tripartite cooperation (between U. S., U. K., and Belgium) was the rule", has told OSO/The Hauge that he is "overjoyed" to hear this and thinks a similar arrangement in Holland may have been planned.

Since OSO does not favor a program of this kind in Holland, and in view of his previous jockeying for current tripartite operations, the Chief of the BVD has been advised that there are no across-the-board tripartite arrangements.

Chief, FDP/OSO and Mr. Michael G. Mitchell conferred with Captain Fabian, Admiral Carney's chief intelligence officer, to complete administrative arrangements for Mr. Mitchell's assignment to Admiral Carney's staff to conduct liaison with the Italian Intelligence Services. Captain Fabian's acceptance of and satisfaction with this arrangement is of major importance to CIA in protecting the existing working relationship with the Italians.

An OSO agent who enjoys close personal relations with prominent officials of the Yugoslav government and has been decorated by Tito for services rendered to the Yugoslav people as an American welfare official has returned to New York after five years of valuable economic and political reporting. OSO hopes this agent will now agree to accept one of several official offers to serve as adviser to Yugoslav commercial enterprises.

Mr. John Bruce Lockhart, who is replacing Mr. M. A. C. Silverwood-Cope as British Secret Service liaison representative in Washington, will arrive about 28 November. Mr. Cope will return to London at the end of the year.

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OSO (Cont'd)

On departing from Canada for London, Colonel John Munn, Director of Training for the British Secret Service, expressed pleasure in the results of his recent discussions with CIA in Washington.

OO

The two Hungarian Air Force sergeants who arrived in the United States from the Defector Reception Center (Germany) last week, have been escorted to Mobile, whence they left on a United Fruit ship for permanent resettlement in Honduras on 13 November. They appeared to be in excellent spirits, and were looking forward enthusiastically to their employment with the United Fruit Company subsidiary.

OPC

A party of 40 Bulgarians which tried to cross the Franco-German border illegally last week to enlist in the Bulgarian Guard Company was captured and returned to France.

The Company is CIA's source for Bulgarian agent personnel. The field is being instructed not to refuse qualified applicants who may successfully cross the frontier illegally in the future provided EUCOM has no objection.

14 November '51 Father Walsh To: DCI

Father Walsh states that he has been ill and therefore has not had an opportunity to further consider lending Colonel Dostert to CIA. He notes he will give us a decision in the near future.

Colonel Baird

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8:30 AM, 16 Nov. - 8:30 AM, 17 Nov.

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OSO

The Syrian Military Attache in Washington has clandestinely approached OSO to request U. S. support of his plan for a coup d'etat in Syria. The Military Attache is being milked of all pertinent information in a manner which precludes any implication that CIA or the U. S. government might conceivably lend itself to a proposal of this nature. A full report will be made as soon as available.

Representatives of FIM/OSO briefed Colonel Philip B. Stiness, successor to Lt. Colonel John Lanterman as U.S. Army Attache in Budapest, just prior to his departure from Washington. Colonel Stiness regretted that Army failure to notify OSO of his assignment had prevented more intensive discussion.

OO

On 14 November Mr. Frank Pace, General Thomas Handy, and Colonel H. H. Howes were conducted on a tour of the DRC(G) by Lt. General Truscott and the Chief, DRC(G). They appeared to be favorably impressed.

OFC

The first issue of a news bulletin to be published by the CIA-controlled National Committee for a Free Albania will be distributed at a reception in Rome to celebrate Albanian National Independence Day on 28 November. The bulletin will contain a summary of overt NCFB activities and a statement of its aims. CIA's liaison agent with the NCFB reports that the British plan to mark the event. The request is being considered by officials of CIA, the State Department and representatives of the British SIS in Washington.

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OPC (Cont'd)

by sending messages of congratulations to the Committee from Prime Minister Churchill and Foreign Secretary Eden and he has requested that President Truman and Secretary Acheson send similar messages.

A CIA agent acting under Army Medical Corps cover has provided medical supplies for inclusion in stay-behind caches in Germany. A total of 75 large caching boxes and approximately 50 individual kits have been prepared. This material satisfied the medical supply requirement for the present caching program.

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8:30 AM, 17 Nov. - 8:30 AM, 18 Nov.

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OSO

18 persons have been arrested to date in the current anti-Communist campaign in Greece and 20 more are detained in their homes. In addition, 2 elaborately concealed W/T installations have been raided, in one of which messages and cipher materials were found, although the operator destroyed some documents before committing suicide. The loss of these facilities and personnel are a serious blow to the Greek Communist Party.

In discussions with Maj. Gen. Robert Taylor, senior US officer in the Northern Command of SHAPE, Mr. Gerald Miller and Mr. Richard Helms brought up the matter of complaints by Scandinavian intelligence services at being pressed by SHAPE for intelligence reports duplicating information already furnished to OSO.

Gen. Taylor agreed to discuss the matter with Adm. Brind's intelligence officer in an effort to arrange for orderly distribution of intelligence to the appropriate Allied elements and to reduce pressure on the Scandinavian services.

Ambassador to Yugoslavia George Allen is to present Mr. Andrew F. Kristovich, Chief of OSO/Belgrade, to Minister of Interior Rankovic on 17 Nov. in an effort to establish CIA liaison with Yugoslav Intelligence.

British representatives in Finland report that the Finnish Diet has decided to return to Soviet custody all 3 Estonians who recently escaped into Finland, allegedly from Soviet concentration camps. Although 1 of the 3 is believed to be a provocateur, Swedish Intelligence had offered to arrange for the release of the others to OSO.

OSO is attempting to ascertain the true situation.

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OSO Cont'd.

The Soviet defector Kliukin, who recently escaped into Norway and claims to be the emissary of an anti-Soviet underground organization in the USSR to a group of anti-Communist Russians working in Sweden under Alexander Timofeyev, will be interviewed by Timofeyev in Oslo to verify his story. OSO/Oslo has arranged for his movement thereafter to Germany for detailed interrogation.

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8:30 AM, 19 Nov.- 8:30 AM, 20 Nov.

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OSO

Chief, OSO/Belgrade, was introduced on 17 November to Minister of Interior Rankovic by Ambassador to Yugoslavia Allen. Feeling that a blunt request for establishment of official liaison would be rejected, Ambassador Allen did not specifically broach the matter but presented the OSO representative as an officer delegated to negotiate with Rankovic's staff on certain matters loosely related to intelligence. Since Rankovic is fully aware of the OSO officer's true status and nevertheless agreed to deal with him, it is clear that he is personally acceptable and may now be in a position to work his way into liaison gradually. It is possible that the Yugoslavs will be more willing to acquiesce in the development of such a relation if they are not required to agree to it officially.

Chief, OSO/Belgrade, will be furnished a few items of significant intelligence to pass to Rankovic's office for the purpose of determining his reaction, unless Rankovic should himself initiate contact within a week or so.

Greek Minister of Interior Rendis has advised the Chief, OSO/Athens, that the British Embassy has unofficially approached the Greek Foreign Office with a view to continuing the British Police Mission after expiration of its contract in January 1952, adding that the Interior Ministry would be guided in the matter by Ambassador Peurifoy's reaction to it. Rendis has been informed, without quoting the Ambassador but by his authorization, that the Embassy could not openly oppose the British move but that, if the British should request U. S. support, the Minister or Counsellor of Embassy would be

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OSO (Cont'd)

delegated to intervene with the Greeks "in a restrained form". It is noteworthy, as apparent during current arrests of Greek Communists, that the British Police Mission has not even seen to the equipment of the Greek Police with such basic items as tear gas.

Lacking a secure winter base, an OSO agent team has returned to Greece after four months of operation in Albania, killing seven Albanian Security troops while losing one man in a skirmish at the frontier. The team will return in the spring.

DD/A

Mr. Wolf had a conference this morning with Mrs. Rosenberg relative to military personnel required through 30 June 1952. She has asked Major General E. C. Lynch to handle the details, and General Lynch has stated that the total requirement of 2420 individuals would be approved. General Davison is preparing the necessary documents and will finalize future procedures with General Lynch. The question of military personnel for fiscal year 1953 was discussed at length and procedure is being developed to meet our requirements as soon as they are more definite.

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DD/P

Gen. Bolling just returned from an Attache Conference in Panama where he learned of the possible use of Zorra Island in Lake Gatun as a Defector Rehabilitation Center and was briefed by Hunt and Janney today. Gen. Morris, CINC CARIB, has expressed some reservations about the use of this site and his ability to provide adequate logistical support. Gen. Bolling suggested that Gen. Morris be more fully briefed on the project and that the matter be brought to the attention of the JCS. Three Hq. personnel, including an engineer, are presently in Panama studying the adequacy of Zorra Island and a cable has been sent to the Panama Station requesting J. C. King, who arrives there on 21 Nov. to make certain that all authorities understand the project and are satisfied with this site. Gen. Magruder is also being informed.

Gen. Bolling stated he has received excellent reports on CIA personnel in Latin America and himself expressed a high regard for Tharp in Panama.

OPC

What is believed to be the first psychological warfare operation conducted in Indo-China was carried out by CIA-controlled agents between 27 October and 10 November. Over 6,000 rough facsimiles of enemy notices, manufactured completely of Vietminh materials, were distributed in two villages just outside of the Vietminh "military capital" Thai Nguyen. Distribution is reported to have caused immediate enemy reaction.

The impact of the operation is being checked by other sources. The results will be made known as soon as available.

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OPC (Cont'd)

Twenty persons were arrested and a loud speaker system set up announcing imprisonment or death to anyone caught reading the bogus notices.

A radio contact team was successfully dropped by a Chinese Nationalist Air Force plane on 13 Nov. in a CIA-directed operation to a Nationalist guerrilla force located 400 miles due West of Shanghai in Hupeh Province. The force is operating in the border areas of Hupeh, Honan and Anhwei Provinces.

A 167-man CIA-supported Nationalist guerrilla force under Col. Wang Chu conducted a successful raid on 13 Nov. on Feh Tou-tung, about 30 miles northwest of Ta Ch'en in Chekiang Province.

An additional 30,000 leaflets were dropped by Nationalist planes over Fukien Province in a CIA-directed operation on 7 November.

Efforts to arrange for the entry of Walter Nyi into the Philippines have been successful. He arrived in Manila from Taipei on 13 Nov. with a 6-month visa and an authorization from Chiang Kai-shek to act as an advisor to the Chinese Ambassador. The field has been instructed to keep Nyi under observation in Manila to determine if he can be of further use to CIA despite his serious breaches of security. A decision as to his ultimate disposal will be based upon field observation.

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OPC (Cont'd)

A German member of a small defection-inducement group in Berlin has been reported missing since 6 November and may have been picked up by the Soviets. The field is investigating.

A CIA-controlled agent has just completed a month's probationary period with what he believes to be a covert Communist paramilitary organization operating in Western Germany. The agent has been sent to a three-week training course at a school the organization operates in Salzburg and it is anticipated that at the conclusion of the course he will be used as a courier between the organization and covert Communist groups in Austria, Italy or Switzerland.

Between 28 and 31 October 105,000 copies of "Animal Farm" were distributed through Austria as an insertion in a CIA-subsidized newspaper. A sellout at the news-stands necessitated an extra run of 15,000 copies.

A message has been received from the mother of the Dalai Lama, stating that she is now convinced that the Dalai Lama cannot leave Tibet unless he is provided with extraordinary assistance by the U.S. Government. She requests that either a plane be flown into Tibet for the evacuation of the Dalai Lama, or that arms and ammunition be sent into Tibet sufficient to permit the Dalai Lama and his party to leave in the face of opposition from some 3,000 Chinese troops.

CIA's position on the matter, as made known to the State Department, is that both suggestions are entirely impracticable, and that we should simply reiterate our earlier position that, if the Dalai Lama arrives in India, assistance, as previously offered, would be given him, but that

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OPC (Cont'd)

now believed to be in Lhasa, and other Chinese troops believed to be stationed along the route to India.

his exit from Tibet must be accomplished as a result of his own efforts and those of his Tibetan sympathizers. This position was welcomed by the Department of State.

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OSO

Documents captured in the raid on two clandestine Communist radios in Athens are expected to contain evidence enabling the Greek Government to close down two Communist-controlled newspapers and to convict the editor of a Communist-front weekly of espionage. Analysis of this material will also be of considerable counterespionage value in disclosing Greek Communist connections in other parts of Europe.

The Greek Minister of Interior has asked OSO/Athens for information on the organization and operation of the U.S. Civil Service loyalty program with a view to instituting a more impartial system of loyalty review in Greece. U. S. Embassy/Athens has asked the Chief, OSO/Athens to maintain close contact with the Minister, who also desires U. S. advice on current security programs.

Ambassador Butterworth, discussing the assignment of a CIA Senior Representative in Sweden under Navy cover, objected to using other than Foreign Service cover for this assignment as jeopardizing service attache positions and over-expanding an already large military staff. (This runs counter to State desire in Washington to develop CIA cover away from Foreign Service designations.) The Ambassador also objected to the assignment of an additional CIA staff member without corresponding recall of a junior officer.

Although the Ambassador appears willing to yield to a strong desire of DCI and DD/P senior OSO and OPC officers have recommended that CIA defer to his preference for Foreign Service cover in this case while asking him to accept an increase of one in the present CIA staff.

Prince Bernhardt has outlined to Chief, OSO/The Hague,

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 20 Nov. - 8:30 AM, 21 Nov.

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OSO (Continued)

acting as personal representative of the DCI, the operation of his eight-man counterespionage net, which investigates Soviet and Soviet Satellite agents in Holland. The Prince declares that his men know "eight times more than the Dutch Security Service" about foreign enemy agents but, lacking confidence in the Service, do not normally pass information to it. Despite the Prince's confidence in his group, he will accept CIA evaluation of its product as a guide to future requests for aid.

The British Secret Service, with the concurrence of the Foreign Office and the British High Commissioner in Germany, has agreed with CIA to informing the French Secret Service that Chancellor Adenauer and Social Democratic leader Schumacher appear to accept ZIPPER as the future German Intelligence Service and to introducing the French to the Chief of ZIPPER on the same basis on which he met the British.

De Bardeleben, Chief of OSO/London, returned on 20 November for a month's home leave.

OPC

In their most recent conference with a cutout in Teheran, CIA's two principal agents in Iran claim to have been responsible for the postponement of elections until a more advantageous date, 18 December, the 5th anniversary of the liberation of Azerbaijan. They also claim to have squelched Tudeh plans to take over a garment factory and a shoe factory, to have

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OPC (Cont'd)

prevented the showing of a Communist movie and to have insured the opening of Teheran University despite Tudeh threats. They are organizing women's anti-Tudeh committees in Teheran and have circulated an anti-Communist book to important clerics in the three principal cities of Iraq.

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DIRECTOR'S LOG

Noted by JBI
11/23/51

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DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, - 8:30 AM,

OSO

to - French

Immediate deployment of the 560th Air Resupply and Communications Wing as scheduled to Wheelus Field in Libya, where it was to have been used in support of CIA operations, has been deferred, if not cancelled outright, apparently as a result of action taken on 19 Nov. by the Sec'y of State on a strong British protest against the movement to Libya at this time. Serious interference with CIA plans will result.

Since the above was ascertained unofficially an intensive effort is being made to determine officially the facts of the matter

Quoting a reliable Chinese, the Department of State has reported that Robert W. McCann, a US businessman arrested in Tientsin by Chinese Communist authorities, is undergoing severe and intensive interrogation aimed at establishing his involvement in espionage, in addition to their clear case against him on a charge of unauthorized export of capital. McCann, a covert OSO agent who was involved in certain Tientsin operations, is resisting interrogation, but the informant believes he may crack under the pressure. He knows the identities of three CIA officers.

A Hungarian agent of French Security employed at US Army headquarters in Verdun has reported his recruitment by an attache of the Hungarian Legation in Paris to secure US military documents for delivery to a clandestine courier.

OSO/Paris has been authorized to accept the French Security proposal to exploit the case jointly with the participation of U.S. CIC.

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DIRECTOR'S LOG

DATE OF DOCUMENT DATE RECEIVED FROM 8:30 AM, - 8:30 AM, TO SUBJECT ACTION

OSO (Continued)

Gen. Bolling, after thorough consideration of all relevant factors, has declined to authorize the Army Attache in Budapest to assist OSO/Budapest in caching two W/T sets.

Since Gen. Bolling has now twice disapproved this request and in view of the impending relief of the Army Attache, no further action is advisable.

Preliminary interrogation of the Greek Communists arrested in Athens confirms that the recent action is a serious blow to the illegal mechanism of the entire Greek Communist Party. Its full extent will appear after further interrogation and analysis of messages exchanged over a long period with Communist leaders abroad.

A Los Angeles firm has agreed to furnish deep cover for an OSO agent who will operate in Finland.

OPC

A MIG-15 wing tank picked up off the North Korean coast by a CIA-controlled fishing boat has been turned over to the 5th Air Force. The wing tank will enable the Air Force for the first time to compute the maximum range of a MIG-15. The 5th Air Force has expressed great appreciation and given CIA full credit for procuring it.

Swiss authorities have granted a permit for the establishment in Zurich of a commercial counselling service which will serve as a deep cover organization for OPC economic warfare projects in Switzerland. This is the first concrete advance in a program for economic warfare operations based in Switzerland.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 21 Nov. - 8:30 AM, 22 Nov.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OO

The Defector Reception Center (Germany) received on 19 Nov. a Soviet captain (a dental technician) who defected in Berlin on 14 November.

OSO is conducting preliminary interrogation to determine the defector's bona-fides. When these are established, OO will circulate a request for requirements to all IAC agencies.

MISCELLANEOUS

JIG has requested CIA participation in a briefing for Mr. Gray and key members of the PSB staff covering "Over-all Soviet and Satellite Military Capabilities". Our contribution will be "Soviet Capability in the Field of Atomic Energy."

AD/SI

In reply to our letter, the Comptroller General states that there is legal objection to the payment to employees of CIA of retroactive increases in compensation equivalent to those authorized by PL 201.

DD/A

The Bureau of the Budget has requested our comments on a proposed Executive Order "Amending Regulations Relating to the Safeguarding of Vessels, Harbors, Ports and Waterfront Facilities of the United States".

DD/A
Colonel Edwards

Don Gonzales of the United Press has been asked to do a feature story on CIA. He will call on Col. Hansen at 9:30 Friday, November 23, for a preliminary interview. In outlining his idea he spoke specifically of the Dulles speech in New England and indicated he would prefer to use that as a footing for his UP article.

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Noted by DCI
11/26/51

8:30 AM, 23 Nov. - 8:30 AM, 24 Nov.

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OSO

The Operations Section of the Swedish Air Force is cultivating the Assistant Soviet Air Attache in Stockholm with a view to inducing him to defect, although there has been no indication of susceptibility on his part. However, the Swedish Air Force has requested the US Air Attache to furnish immediate air transportation if needed. OSO/Stockholm is following the case through the US service attaches and attempting to determine the relation of Swedish Intelligence to the case with a view to influencing its course.

Chief/NEA met with Mr. Edwin Locke, newly-appointed Ambassador in charge of aid programs for the Arab States and Israel, to offer his assistance during his stay in the Middle East and to inform of possible need for his cooperation in arranging aid to police and security agencies in Middle Eastern countries. Mr. Locke was entirely cooperative and requested that field contact with CIA be arranged for him.

Quoting OSO/Addis Ababa, the US Ambassador to Ethiopia has reported that revolutionary tendencies are growing daily. Information forwarded through OSO channels is somewhat less alarming. Although OSO/Addis Ababa has been reporting such trends for some time, the station predicts no revolutionary action for at least a year.

OSO has invited the Chief of Special Operations, Dutch Internal Security Service, to Washington for 4 weeks of discussion and training beginning about 15 January 1952. He wishes to discuss his operational experience with OSO specialists and intends to select training materials for the instruction of members of his own organization.

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8:30 AM, 23 Nov. - 8:30 AM, 24 Nov.

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OSO (Cont'd.)

Reshuffle of the Norwegian Cabinet has resulted in increased influence of the Minister of Justice, who favors voluntary return of the Soviet defector Kliukin to the USSR over releasing him for US-British interrogation. The Chief of Norwegian Intelligence is taking the matter up directly with the Prime Minister in the absence of the Defense Minister, who has supported the OSO view but is retiring in January.

OPC

A fifth W/T message was received from the remaining CIA agent team in northern Albania on 14 November, requesting food and winter clothing for 4 men. Bad weather conditions have prevented a resupply drop during this month. However, the team will designate a drop zone in a subsequent message for resupply during the next moon period.

Approximately 40 veterans, representing those United Nations fighting in Korea, will leave on 30 November for Paris to attend a 3-day program arranged by the UN. In the 2 days following the UN program, representatives of the CIA-sponsored International Federation of World Veterans' Organizations will contact members of the group with a view to securing the ultimate adherence of the UN veterans as an organized affiliate. The cost of this trip, arranged at the suggestion of CIA, is being defrayed jointly by Defense and the UN.

MISCELLANEOUS

Dr. Langer will attend the course at Sandia 10 through 15 December.

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Noted by DCI
11/27-*lrc*

8:30 AM, 26 Nov. - 8:30 AM, 27 Nov.

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TO

SUBJECT

ACTION *JAM*

OSO

The German Chief of ZIPPER reports that Chancellor Adenauer is ready for the West German Government to begin taking over the operation at any time. Adenauer's Assistant for Personnel has submitted to ZIPPER a draft proposal for establishment of a German Intelligence Service with an annual budget of 20,000,000 DM (\$4,500,000) which follows the present ZIPPER organization and states that US sponsors have agreed to assume a considerable portion of the budget during a transition period. The German Chief of ZIPPER considers that the transfer should take place no later than the date of ratification of a contractual agreement (1 July 1952 in his estimate) whether or not German military contingents are then in existence. It is anticipated that the OSO-ZIPPER relationship thereafter will continue as at present.

Consistently bad weather during the last moon period has prevented dispatch of an OSO-Dutch Intelligence agent team by air into Bulgaria.

Since dispatch next month would make their survival under winter living conditions doubtful, the operation has been postponed until early spring.

A network of some 50 agents aboard various merchant ships has been established to maintain intelligence coverage of maritime targets in the Black Sea area as a joint CIA-Italian Intelligence operation. Participating to the extent of \$1,250 monthly, CIA may furnish information requirements and will receive the entire intelligence production plus operational information. The results of a previous limited operation of the same type warrant the anticipation of successful coverage in substantial volume

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OSO Cont'd.

Alarmed by Polish Embassy inquiries, French Intelligence has asked OSO/Paris to transport to the US Zone/Germany the former Polish Commercial Attache in Cairo and his wife, both now defected, whom they have been debriefing with negative results. OSO/Cairo interviewed the 2 Poles in October with similar negative results but paid them and provided a live letterdrop in Paris, in case Headquarters desired further contact. Upon being contacted, OSO/Paris turned the defector's over to the French.

OSO/Paris has been instructed to urge the French to dispose of the Poles in the French Zone/Germany.

US Air Attache/Madrid has advised that he is acting contrary to Air Force instructions in permitting his assistant to continue contact with Otto Skorzeny.

OSO will ask the Air Force in Washington to authorize the Air Attache to permit continued contact.

Air Commodore James A. Easton, Asst. Chief of the British Secret Service, will arrive in Washington from Tokyo on 16 Dec. and depart for London on 18 Dec. He has no official business to discuss with CIA but hopes to pay courtesy calls on D/DCI and DD/P on 17 December.

Dr. Danios Morali, psychologist and Chief Assessment Officer of French Intelligence, who has been conferring with CIA assessment and security officers, is now visiting universities in New York and Chicago. He will be in Washington about 5 December for a final visit before returning to Paris.

OPC

The annual convention of the CIA-supported International Federation of World Veterans' Organizations is scheduled to open in Belgrade on 27 Nov. Eighteen countries will

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OPC Cont'd.

be represented. Attendance, including members of the press, is expected to approach 150. Sherman Ewing, Chairman of the newly organized World Veterans Fund, Inc. and a CIA agent in the Federation, will be among those present.

CIA is preparing a covert counter-attack to the recent diatribe by Vishinsky against the Mutual Security Act. The Intelligence Research Division of the British Foreign Office, has offered its channels for use in the campaign.

A Chinese barber at CIA's Saipan paramilitary training base has been reported a suspected Nationalist agent. His family in Hong Kong is concerned about his whereabouts and has demanded a letter from him. If this is not forthcoming, the family threatens legal action through the Hong Kong police to ascertain his whereabouts or otherwise investigate with a resultant threat to the security of the Saipan base.

The field is being queried as to the action being taken and instructed to keep headquarters informed.

A diversionary raid on the coast of Chekiang Province carried out by CIA-directed Nationalist guerrillas on 13 November resulted in 30 Communists killed, 10 wounded and 3 captured. No casualties were suffered by the guerrillas.

A contact team was successfully dropped to a guerrilla force in east central Fukien Province by a Chinese Nationalist Air Force plane in a CIA-directed operation on 15 November. Twenty-eight thousand leaflets were dropped over Fukien in a CIA-directed operation on 15-16 November.

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MISCELLANEOUS

Nov 51	26 Nov	Wm. S.B. Lacy Director, Office of Philippine and Southeast Asian Affairs	DCI	Mr. Lacy highly commends the results of Lt. Col. Lansdale's operations in the Philippines and notes that he is deserving of the highest possible reward for his outstanding services.	DD/P
				Gen. Bolling has forwarded a proposal for the development of an agreement under the provisions of NSCID #5 between CIA and G-2 and suggests that he informally discuss this proposal with DCI. He notes that since this proposal could apply with equal facility to the Navy and Air Force, he suggests that Adm. Johnson and Gen. Samford be present at the above discussion. This matter has not been discussed with them.	DD/P for recommendation.
				Governor Skinner of Guam has accepted our nominee for his police chief.	
				Bureau of the Budget has requested our comments on a proposed Executive Order "Amending Regulations Relating to the Safeguarding of Vessels, Harbors, Ports and Waterfront Facilities of the United States". This proposal was submitted to the Budget by Acting Sec'y of the Treasury and is in addition to the one received by CIA on 21 November.	DD/A Col. Edwards

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JPM

8:30 AM, 27 Nov. - 8:30 AM, 28 Nov.

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TO SUBJECT

ACTION

OSO

Chief, FDP/OSO, conferred with Mr. Dixon, State Dept. Greek Desk, and Mr. Howard Furnas, representing Mr. Armstrong's office, on Ambassador to Greece Peurifoy's suggestion that CIA send a US heart specialist to examine Greek Prime Minister Plastiras, who has recently suffered several heart attacks. Although admitting that the matter was within State jurisdiction, Mr. Dixon was adamant in insisting that CIA assume responsibility for it. Mr. Furnas agreed with the CIA view that action in a case of this kind is not a proper CIA function or responsibility and called later to apologize for Mr. Dixon's unreasonable and erroneous position. He added that this is not the position of the State Dept., which should use State funds to help Plastiras if such aid is desirable.

DD/P has cabled OSO/ Athens regretting that CIA cannot assist the Ambassador in this instance.

The Spanish police officer in Barcelona who handles the playback of a captured Soviet W/T agent has offered to accept buildup material from OSO/Barcelona for use in the operation.

Headquarters has decided to defer participation in the operation pending establishment of official liaison with the Spanish Services in Madrid.

A large US electronic instrument firm, which has offered to furnish deep cover in Finland, has indicated willingness to accept an agent already recruited by OSO as qualified for the cover position.

OPC

Three scheduled radio attempts to contact the CIA agent team in Northern Albania have met with failure. The team was last contacted successfully on 14 Nov. and it reported at that time that it was moving to a new location.

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8:30 AM, 28 Nov. - 8:30 AM, 28 Nov.

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OPC Cont'd.

Bad weather during the entire November moon period forced the cancellation of a body drop in Poland. The mission will be carried out in December providing there is a break in the weather.

A compilation of the proven CIA escape and evasion rescues in Korea numbers 15. In addition to this number there are 4 more probables.

Training

Project KMKIMONO (Winchester, Va.) - on 20 Nov. at a meeting held at the KMKIMONO site final agreement was reached on the curriculum for the Political Action Course of Training. The Acting Chief Instructor for the course will return to the site on 26 Nov. and remain there to work out the detailed first month's class schedule, and to meet the first group of 6 or more students scheduled to arrive from Europe on 28 Nov. He will assist the Area Chief in the first briefing and orientation of these students.

Project ZRCORSET (Training site for Foreign Nationals) - the establishment of AEC cover appears definitely infeasible and an alternate plan for Armed Forces cover is under development for presentation to the Department of Defense. In pursuing the possibility of AEC cover, we found that AEC would require assurance of CIA's continued support in the former confrontation with the Congress and the press. Both Col. Edwards and Col. Hansen advised informally that we could not give significant support to AEC in a cover story and that AEC appeared to be quite justified in its unwillingness to furnish such cover. Hence the action now under way to develop an Armed Forces cover plan.

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8:30 AM, 27 Nov. - 8:30 AM, 28 Nov.

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MISCELLANEOUS

20 Nov. 51	Dr. Sproul, President Univ. of Calif.	DCI	Dr. Sproul states that the matter of extending Dr. Sontag's leave has been taken up with the appropriate Department and Dean and that arrangements can be made for extension to 30 June 1952. He also notes that this will be presented to the Regents with a recommendation for favorable action.	AD/NE
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OPC

Madame Chiang Kai-shek, apparently in hopes of making her views known in official US quarters, conferred "in strictest confidence" with the BGMARQUE Chief of Mission on 18 Nov. and 25 Nov. 1951.

During the first conference she expressed great concern re the activities of the Political Dept. of the Ministry of National Defense, headed by Chiang Ching-kuo, the Generalissimo's eldest son. She blames many of Nationalist China's present and past difficulties on Political Dept. personnel. Specifically claiming that any guerrilla effort sponsored by the Political Dept. is doomed to failure, she also suggested that the Military Assistance Advisory Group would be unable to accomplish its mission as long as the political commissar system interferes with the command structure of Nationalist armed forces.

During the second conference she specifically stated the following items were the current views of the Political Dept.:

- a. Take all American aid and attempt to obtain control.
- b. Put pressure on Premier to form alliance to oust Governor.
- c. Remove sole obstacle between themselves and the Gimo--
The Madame.
- d. Obtain control over all hostels.
- e. Try and remove Gen. Huang Ping Yen.
- f. Try and obtain control over China Broadcasting Co.
via Tong.

Ambassador Caffery has heartily endorsed CIA's Egyptian emergency plan on condition that it is cleared through the Palace. A meeting took place in Cairo on 26 Nov. between US Ambassador Caffery, the British Ambassador, Mr. Burton Berry of the Dept. of State, and Mr. Kermit Roosevelt of CIA. The plan was outlined in general terms to the British Ambassador and the meeting was satisfactory to all concerned. At the request of Mr. Caffery, Mr. Roosevelt saw Hassan Youssef Pasha, Chief of the Royal Cabinet, on 27 Nov. The above information has been relayed to Mr. Matthews and to Mr. McGhee.

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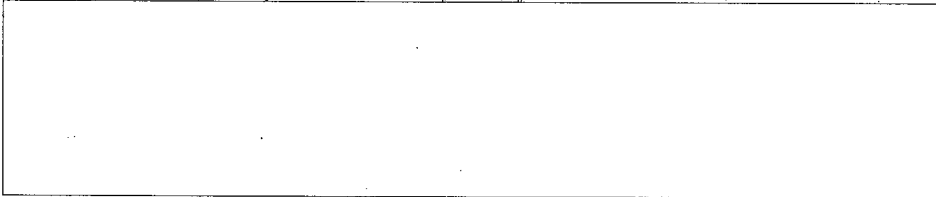
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OPC

50,000 posters covertly exploiting Vishinsky's recent attack of insomnia, induced by the West's peace proposals, have been distributed in Paris and other large cities in France by the CIA-supported Paix et Liberte Organization. Capped by a caricature of a sneering Vishinsky, the posters carry a statement to the effect that although France and 50 other nations had advanced sincere peace proposals, these were laughingly rejected by the USSR and its satellites. Kingsbury Smith, European representative of the International News Service, is cooperating in a plan to pick this up as a news item for overt international distribution.

OSO

A former French Communist, now a source of OSO/Paris, reports that "all" French police have been instructed to work on identifying all "American" agents operating in France. He speculates that the order may have been given in anticipation of Gen. De Gaulle's coming to power and subsequently investigating police "subservience" to US officials. OSO/Paris comments that the French Security Service, which allegedly issued the order, does not have jurisdiction over "all French police and recommends that the report be treated with reserve.



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OSO Cont'd.

In spite of considerable pressure by Norwegian Intelligence to permit US-British interrogation of the Soviet defector Kliukin, the Norwegian Government has permitted him to return voluntarily to the USSR. Interrogation reports produced by the Norwegians have been forwarded to Washington.

DD/A

DD/A and Dr. Tietjen met with the Surgeon General of the Army, Gen. Armstrong, at one o'clock today for a brief conference relative to combined medical support for CIA operations through Army, Navy and Air Force installations throughout the world.

Miscellaneous

The ICIS is conducting a survey of arrangements concerning the exchange of published materials between US agencies located in the USSR and its Satellites. CIA has been requested to furnish information as to whether or not it participates in this exchange program.

AD/CD

The FBI has forwarded a copy of an interview with a Hungarian DP who states that while in an immigrant camp, from 26 Feb.- 3 March 1951, a Ukrainian DP informed him that the Soviets would attack the US with A-bombs on Christmas day 1951. The Bureau also furnished copies of this interview to the other members of the IAC.

AD/SI and AD/CI
for comment.

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8:30 AM, 28 Nov. - 8:30 AM, 29 Nov.

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OSO

With the concurrence of Danish Intelligence, OSO/Copenhagen has established direct contact with a former resistance leader who now heads an independent intelligence network which collects information on Communist activities in 18 Danish towns. This data, previously passed via Danish Intelligence, will now be furnished directly.

OPC

Plans for celebration of Albanian National Independence Day on 28 Nov. will be highlighted by a large reception in Rome which will be attended by members of both the British and American Embassies. This reception will mark the first publication of a new monthly Albanian news bulletin published by the National Committee for a Free Albania. Two clandestine broadcasts on the celebration will be beamed to Albania the evening of the 28th and telegrams from Hasan Dosti of the National Committee for a Free Albania will be sent to British Foreign Sec'y Eden, Sec'y of State Acheson and other influential American political, military and labor leaders. Both the State Dept. and the Foreign Office have agreed to reply to these telegrams.

CIA's senior representative in Athens and Commander Whiney, the British SIS representative, have presented a compromise proposal to Greek General Dobas on the question of a communications base for stay-behind operations in Greece. Control of the base, which is a matter for future settlement, was side-stepped in view of the conflicting positions taken by the British and Greeks on this subject. The wording of the proposal is as nearly acceptable to the Greeks as it can be made.

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SECURITY INFORMATION
DIRECTOR'S LOG

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OSO

Efforts to improve coordination of US intelligence activities in Korea have resulted in Gen. Ridgway's establishing CCRAK (Covert, Clandestine, and Related Activities in Korea) on 28 Nov. under the command of Col. Washington Ives of FEC. CCRAK Headquarters in Seoul will direct all CIA, Army, Navy, and Air Force intelligence operations in Korea, but the organizational integrity of each component will be preserved to the extent it requires.

OSO/Bangkok's consistently precise reporting of internal political machinations in Thailand culminated on 23 Nov. in an accurate forecast of a probable coup d'etat prior to the King's return at the end of November. OSO received and disseminated on the morning of 29 Nov. OSO/Bangkok's report of a Thai security alert in anticipation of a coup attempt. The reorganization of the Thai government, abolishing Parliament and giving dictatorial powers to the coup clique of 1947, was announced a few hours later.

The Director of the French Secret Service has agreed to the assignment of Col. Clinton Morton to Paris as an intelligence officer under MARC cover. A technical administrative question on the assignment remains to be resolved with G-2, Army.

Although two-way communication has not yet been established, the OSO-Dutch intelligence agent team dispatched into Rumania on 18 Oct. has been heard attempting to make radio contact.

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OPC

Ten thousand copies of a poster headed "Peace fighter Vishinsky laughs, but our mothers weep" are now being distributed throughout Western Germany by a CIA propaganda network. Forty thousand stickers bearing the same message are also being posted.

Two CIA-subsidized groups in Germany, the Fighting Group Against Inhumanity and the Anti-Communist Organization of Nazi Victims, held a successful mass meeting in West Berlin 7 Oct., to protest sentences handed down against 18 high school boys in East Germany. The boys received sentences totalling 130 years for crossing into West Berlin during the Communist World Youth Festival in Aug. '51. The Fighting Group Against Inhumanity also has distributed a poster over West Berlin asking for freedom for 50,000 political prisoners and 37,000 political deportees.

A message signed by Undersecretary of State Webb was sent to the CIA-controlled National Committee for a Free Albania on 28 Nov. in acknowledgement of greetings from the Committee marking the celebration of Albanian Independence Day. Mention of the event appeared in the NEW YORK TIMES and the NEW YORK HERALD TRIBUNE on 29 Nov.

At a meeting of OPC's State and Defense Department consultants on 28 Nov. to discuss formation of the united front among Russian Emigre groups, Isaac Don Levine called attention to one important aspect of the matter. Levine said that some Russian groups engaged independently in clandestine activities are so confident of continued OPC financial support that they have no hesitation in obstructing the formation of the Russian Political Center along lines acceptable to OPC. It was the unanimous opinion of the consultants that in such cases political considerations should predominate and that OPC should, at its discretion, withhold operational support from any potentially useful group in order to get its cooperation with the Political Center.

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SECURITY INFORMATION
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OO

The Army has arranged to transport to Okinawa the captured Chinese Volunteer Corps (Korea) captain who was brought to the US for intensive interrogation in early August. Although under AFSA sponsorship, the captain has been in the custody of Contact Division. His departure will free facilities which can be used to house a defector--a Soviet tank captain--who now is living at the Virginia Plantation.

A sub-committee of the House Judiciary Committee visited the Defector Reception Center (Germany) on 20 Nov. 1951. The group was headed by Representative Francis E. Walter (D., Penn.) and included Representatives Frank L. Chelf (D., Ky.), Michael A. Feighan (D., Ohio), Angier L. Goodwin (R., Mass.), and Chauncey W. Reed (R., Ill.). They were accompanied by their legislative counsel, Walter M. Besterman.

Through the British Foreign Office and State Dept. representatives in Germany, the BBC has asked permission to interview Soviet defectors at the DRC(G) and to make records of their statements. Presumably, parts of these recordings will be beamed back to the USSR by BBC.

The visitors were shown some of the DRC(G)'s facilities, given a general picture of its mission, and allowed to talk with 2 contented defectors, 1 a Soviet and the other a Czech. They appeared to be favorably impressed.

The DRC(G) has agreed to make its Soviet guests available to the BBC during the second week of December. Gen. Truscott has approved this agreement.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 30 Nov - 8:30 AM, 1 Dec

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

29 Nov 30 Nov W. Park Armstrong

DCI Mr. Armstrong notes in carrying out State's program under the provisions of NSC 29 (Security of Strategically Important Industrial Operations in Foreign Countries) State intends to request from CIA assistance in the conduct of physical security surveys and in the development of plans for the improvement of security. In addition, State may request the initiation of intelligence surveillance or the institution of covert counter-sabotage measures specifically in relation to the expanded NSC 29 program.

DD/P

28 Nov 30 Nov Gen. Bolling

DCI A background sketch on Capt. Kenneth S. Giniger has been received from Gen. Bolling.

DD/A



The Acting Sec'y of Defense has sent our letter concerning Fort Randolph to the Sec'y of the Army requesting that he assist the DCI to acquire this property if it is found that (a) it may appropriately be made available; (b) project is approved by State; (c) it might logistically be supported by the Caribbean command with costs to be reimbursed by CIA.

DD/P

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DIRECTOR'S LOG

Noted by DCI
1/2 - Dec
WPM

8:30 AM, 1 Dec - 8:30 AM, 3 Dec 51

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

The Senior CIA Representative in Spain reported that U.S. Ambassador to Spain Stanton Griffis wishes to be relieved by 1 February 1952 and has informed Mr. Humelsine of the State Department that he desires to remain no longer than 1 March 1952 in any event. The Senior Representative emphasized that this information has been given in strict confidence for CIA use only and asked that the DCI be advised.

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Noted by DCI
12/4 - *per*

8:30 AM, 3 Dec. - 8:30 AM, 4 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

An agent of OSO/Buenos Aires suspected of having Soviet Intelligence connections has reported to OSO/Montevideo that Argentine police arrested and interrogated him under torture in an effort to extort a confession which would have named the OSO Station Chief in Buenos Aires as an organizer of the unsuccessful Argentine coup d'etat of 28 September.

Both OSO stations are investigating further and will furnish further reports.

The possibility of giving increased intelligence support to the Office of International Trade, Dept. of Commerce, has been discussed at a meeting called by ORR. Since Commerce is not a member of the IAC and therefore receives no regular CIA dissemination, present support is confined to selected raw reports passed to the OIT Enforcement Branch, which has special clearance.

It was suggested that Commerce might request CIA to furnish appropriate information in the form of finished intelligence, after clearance of each item with the CIA office concerned.

Training

On 26 Nov. the Office of Training inaugurated the new Indoctrination Course that will now be given weekly for new employees in conjunction with the weekly Agency Security Briefings. Approximately 120 persons attended this first week's indoctrination. The indoctrination introduces the new employee to the basic ideas and language of intelligence in general, and to the Scope, Mission and Internal Organization of CIA in particular. It costs the new employee one-half workday.

Project AEROFOL - Project conducted for FDS/OSO involving the training of 4 deep cover agents from Iron Curtain countries is continuing and will in all probability extend through January 1952.

(CONTINUED)

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 3 Dec. - 8:30 AM, 4 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

Training Cont'd.

Project HALFWAY-SUNBOW - Project for FE/OPC and FDZ/OSO involving the training of 2 groups of Indonesians with 8 in each group. This Project will continue through January, 1952.

Project ISOLATION - A desirable location for the air strip at ISOLATION has been determined. A project is being prepared for submission to PRC for construction of the strip at an estimated cost of \$200,000.

OPC

The submarine cable linking Chefoo and Dairen was cut by a CIA-controlled Korean fishing vessel at 0220 local time on 30 November.

Discussions re the implementation of CIA's emergency program for Egypt are reported progressing satisfactorily in Cairo. In 2 discussions between Mr. Roosevelt and Hassan Youssef, Chief of the Royal Egyptian Cabinet, it was decided that Mr. Roosevelt would form a US committee to work on the program while Hassan would select a group to form an Egyptian committee. Mr. Roosevelt will keep Hassan informed of developments in progress through the US Counselor of Embassy in Cairo and at the appropriate time, Hassan will submit the program to King Farouk for approval. Stressed immediately will be assistance to Palace Security and Intelligence forces and a propaganda and political program designed to improve the situation in Egypt and get better publicity in the US for Egypt and Farouk. Ambassador Caffery has fully approved these plans.

A Polish resistance group has notified CIA of plans to exfiltrate 2 men from Poland for training, 1 in paramilitary activity and the other in radio communications. The Polish group is trying to set up a permanent route over which future recruits can travel out of Poland.

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DIRECTOR'S LOG

8:30 AM, 3 Dec. - 8:30 AM, 4 Dec.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

Miscellaneous

28 Nov 51 Chairman, ICIS DCI Mr. Whearty forwards terms of reference for CIA approval which he recommends be established for an analysis pertaining to sabotage and subversion. This analysis would correspond to the military analysis established in the NSC Directive concerning "a project to provide a more adequate basis for planning for the security of the United States". AD/NE

Dr. Millikan has discussed with Mr. Willetts of the Rockefeller Foundation that Foundation's possible support to the Current Digest of the Soviet Press. If the Board of the Foundation approves of this, our support in the amount of \$8,542 for FY 1952 will be withdrawn.

Gordon Gray has requested that PSB be allotted one GS-16 slot in order that he might employ Mr. Tracey Barnes to succeed Gen. Cutler. Mr. Barnes is now a grade 16 in the Office of the Under Secretary of the Army. DD/A

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8:30 AM, 4 Dec. - 8:30 AM, 5 Dec.

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OSO

The OSO agent interrogated by Argentine police in an effort to implicate the Chief, OSO/Buenos Aires, in the unsuccessful September coup in Argentina states that he admitted to connections with US Ambassador Braden and former cultural attache Griffiths on internal political matters but denies that he revealed any knowledge of the functions of the Chief of Station beyond identifying him as an Embassy official concerned with Communist matters. He adds, however, that he signed some 20 statements under duress without knowledge of their contents.

SO continues investigation of the facts and implications of the case, including the position of the Chief of Station, who is now en route to the US for home leave.

The Chinese Nationalist Ministry of Nat'l Defense has furnished through OSO/Yokosuka a blatantly fabricated, though superficially plausible, eye-witness account of a Soviet atomic bomb test in the Novaya Zemlya area. Since the report may well crop up elsewhere and occasion inquiry to CIA, the D/DCI has been informed in detail.

The attention of IAC member agencies will be called to the report as an outstanding example of one type of fabrication now under study by OSO.

Hans Globke, Chancellor Adenauer's Chief of Internal Affairs, is undertaking a 6-month study of administrative problems involved in the German takeover of ZIPPER, which should therefore coincide with the signing of the contractual agreement. Blobke recognizes great difficulties in German financing of ZIPPER and is grateful for the US offer to continue some form of subsidy, emphasizing that the German Government desires close US-ZIPPER working relations to continue as well. He believes, and thinks Adenauer agrees, that ZIPPER will not direct resistance activities, which should be assigned to the Defense Ministry.

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8:30 AM, 4 Dec. - 8:30 AM, 5 Dec.

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OSO Cont'd.

OSO has reached agreement with French Intelligence on recruitment and training in France of 2 or more 3-man teams of Bulgarian agents for operations into Bulgaria in early summer 1952. The aide of Bulgarian Gen. Damian Velchev will act as principal agent for the project.

A key Communist arrested last week in Athens states that the radio operator who committed suicide when trapped was in charge of the illegal Communist organization in Athens. He adds that 3 additional secret transmitters are in reserve.

OSO/Athens is attempting to locate these transmitters before they can be placed in operation.

Gen. Umberto Broccoli, Chief of the Italian Combined Intelligence Services, has accepted CIA's invitation to visit Washington for discussions in early January.

Conference dates and agenda will be recommended to DD/P after OSO/OPC coordination.

OPC

Four Poles, 3 Russians, 1 German and 1 Czech have arrived at the political action school covertly established in the US by CIA as a democratic counterpart to the Lenin Institute. All the men in this first class of students are of a high caliber and the group includes a graduate engineer, a former Soviet Air Force colonel, a former Germany Army major and a Russian poet. It is hoped that 4 more students will be added to the class within the next 2 weeks.

The head of the League of Freedom Loving Lawyers, a CIA-subsidized organization working in the East Zone of Germany, has been asked to make intelligence reports to the embryonic intelligence organization of the West German government. He has been assured that he will not be questioned about his sources. A procedure has been set up whereby the head of the Lawyer's group will submit his briefs to an OPC case officer for scrutiny by OSO Berlin before handing them over to the German intelligence unit.

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OPC Cont'd.

The Ford Foundation, on the recommendation of the CIA, has agreed to turn over an additional 20,000 West Deutsch Marks to be used for Christmas food, clothing and packages for East German refugees now in West Berlin refugee centers.

Lt. General W. E. Kepner, Commander in Chief, Alaskan Command has approved the initiation of CIA operations within the Alaskan Theater.

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Noted by BCI
12/6/51

8:30 AM, 5 Dec. - 8:30 AM, 6 Dec.

NOTE OF DATE
DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

Gen. Millard Lewis, A-2 USAFE, has informed Chief, OSO/Germany, that a CIC source claims he can deliver a MIG-15 in return for a guaranteed payment of \$125,000 to the pilot. OSO/Germany urged Gen. Lewis to pursue the operation through his own channels, until the lead can be investigated more carefully, and guaranteed payment on delivery.

Headquarters has confirmed this commitment. OSO/Germany is following up another lead to procure a MIG-15 through a group of Czechs in Berlin.

OSI

RDB expects to make an official request that CIA prepare for RDB with the assistance of other agencies an annual summary of the status of USSR scientific research and development. This summary will parallel, and will be used as background for, the RDB Consolidated Technical Estimates. The date of completion of the summary has not been determined but will not be before 1 July 1952.

RDB would like to have the flow of current scientific intelligence continue as at present. They expressed themselves as satisfied with the support that they were now getting from OSI. They were encouraged to make requests for additional assistance at any time.

Miscellaneous

We have been informed by Army that the BROOKLYN EAGLE has picked up a story on the shipment of Russian ammunition from Spain to the US, presumably for Army storage in the Raritan Arsenal. CIA has not been brought into the situation and neither the BROOKLYN EAGLE nor the New York PIO is aware of our interest.

Army PIO has assured us that this story has been "bottled up".

The Gannett Newspapers have requested for Station WHT of Hartford, Conn., a transcript of a POW broadcast by Pfc. Frederick Brazee of Terryville, Conn.

Advised that if release is made it would be to next of kin, provided the Dept. of the Army has no objections.

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8:30 AM, 5 Dec. - 8:30 AM, 6 Dec.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
				<u>Miscellaneous</u>	
24 Nov 51		Gen. Truscott	DCI	Gen. Truscott has requested that 4 liaison aircraft (L-17s) with pilots be assigned to him to be used in staff visits between the separate bases such as Frankfurt, Munich, Heidelberg, Bonn and the various training areas as well as for special use in agent training. He notes that Air Force has agreed to house and maintain these aircraft on a reimbursable basis.	DD/A for preparation of reply for DCI signature coordinating with DD/P
3 Dec 51		Philip G. Reed, Managing Editor, INS	DCI	Mr. Reed refers to a previous discussion with DCI concerning the advisability of installing INS wire in CIA, and asks whether the service is now desired.	DD/A for preparation of direct reply.

OPC

In view of the rapid progress made in cease-fire negotiations leading to the likelihood of an armistice within 30 days, CIA senior representative Aurell in Tokyo expressed to the Far East Command on 27 Nov. the opinion that such an armistice would be interpreted as a cessation of hostilities, stating that if this was to be the case it was his understanding that CIA operations in Korea would return to the command direction of the DCI. Mr. Aurell requested the views of the Far East Command on this transition of the command relationship. On 5 Dec. Gen. Ennis, Far East Command G-2, replied that it was the feeling in G-2 that armistice or no armistice, there would be no immediate peace in the Far East, that Far East Command control and coordination of clandestine intelligence and covert operations was essential to intelligent planning and efficient operation and that present command channels should remain unchanged at least until such time as peace is insured in Korea.

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OPC Cont'd.

OPC Chief of Station Lansdale in Manila has reported an "Unholy Alliance" aiming toward the ousting of Magsaysay as Sec'y of Defense, the possible impeachment of President Quirino, and reestablishment of the Philippine Constabulary as means of "guaranteeing" victory in the 1953 presidential election for the Lopeze-Recto ticket. The immediate task is to prevent impeachment of Pres. Quirino.

State Dept. has been alerted and Ambassador Cowan is leaving on 7 Dec. for Manila. Forces against the "Alliance" in the Philippines are being mobilized. "Leaks" will appear in the Manila press in the immediate future exposing the plans of the "Alliance".

A large amount of propaganda material has been produced to counter the Grotewohl "unity" proposals in Germany. A full page advertisement was inserted in the leading West German weekly "Quick", reading: "In the Soviet Zone 137,000 Women Engaged in Heavy Labor, 27,000 Women in the Mines -- Grotewohl calls it equality of rights." Some 125,000 leaflets have been distributed in Western Germany picturing Stalin about to swallow all of Germany and another 250,000 leaflets distributed in the Soviet zone report on a purported underground conference of the German Freedom League, a CIA-invented anti-Communist group.

The covertly controlled Rome celebration of Albanian Independence Day on 28 Nov. was attended by 166 persons, including 17 press representatives. The Albanian News Bulletin, published that day for the first time, was highly praised by the newsmen present. Special Radio Free Europe programs commemorating the day were completely jammed, but

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OPC

steps have been taken to have them rebroadcast:

Ambassador Caffery in Cairo and Mr. Roosevelt have requested that intelligence material of interest to King Farouk and equipment for Farouk's bodyguard be sent to the field as soon as possible and that plans be made to provide a few key men in the bodyguard with FBI training.

The intelligence material and equipment is being furnished. FBI training for key members of the bodyguard is being investigated.

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5 DECEMBER 1951

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Noted by BCI
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8:30 AM, 6 Dec. - 8:30 AM, 7 Dec.

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OSO

A British Secret Service officer in London stated that Conservative sensitivity to Labor campaign charges of "warmongering" is a political factor which has led to the foreign policy objectives recently defined by Foreign Secretary Eden as (a) reduction of the temperature of international debate and (b) solution of limited, specific problems to build a mosaic of lasting peace. This officer indicated his personal concern lest this policy curtail or preclude the more aggressive Secret Service operations, air dispatch of agents in particular, as involving too great a risk of adverse publicity at home in the event of a documented Soviet or Satellite charge of internal interference.

Recognizing CIA's greater capabilities, responsible Greek officials have fully agreed to CIA exploitation of all foreign leads yielded by current operations against the Greek Communist Party. This makes possible coordinated and effective exploitation of the international ramifications of the case.

FBI liaison representatives in France reported to OSO/Paris that they now receive copies of all FBI requests to CIA for information from official French sources and, because of French delay in acting on CIA requests, are sometimes able to get faster replies through their own liaison channels. They agree that this procedure is unsound, however, and will discuss such cases with OSO/Paris before taking independent action.

An agent of OSO/Berlin has returned from a mission in Poland during which he recruited 8 sub-agents, including a cross-border guide, a radio operator, and an employee of the Ministry of Foreign Trade, and established a safehouse and several letterdrops.

The ease with which the agent performed his mission engenders some skepticism, requiring reassessment of his bona

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OSO Cont'd.

An agreement has been reached with Radio Free Europe which will resolve past security problems by eliminating uncontrolled or competitive activities and make operational assistance to OSO possible in appropriate cases.

OSO/Germany has taken custody from French Intelligence of 2 officials of the Polish Legation in Cairo who defected in Paris after brief contact with OSO/Cairo. Since the defectors are of no intelligence value, no commitments were made to them and OSO assistance will be limited to placing them in IRO channels for resettlement.

Fearing disciplinary action for his inability to assist another Polish vessel disabled in a recent storm at sea, the master of a Polish merchant ship has requested asylum in Sweden.

Although Swedish Intelligence reports that he is of slight intelligence value, OSO/Stockholm will attempt to exploit him through independent OSO sources.

OPC

Headquarters is authorizing an agent to resume negotiations with Polish Gen. Anders in London next week and offer him a limited budget for his General Staff for specific activities specified by CIA. In return for this, Gen. Anders will be asked to work toward unification of the Polish emigre organizations. Up to this time, Gen. Anders has opposed unification.

The circulation of a CIA-subsidized Vienna paper, DIE PRESSE, has increased over one-third in a single month, at a time when the circulation of other Vienna papers dropped as a result of price increases. This circulation boost is attributable, in part, to the fact that an insert carrying George Orwell's "Animal Farm" was included with 1 edition of the paper. 5,000 promotional leaflets have been distributed in the

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OPC Cont'd.

Soviet Zone of Austria to try to extend DIE PRESSE circulation into that area.

The Philippine political crisis has eased. Therefore, Ambassador Cowan's trip to Manila has been postponed and he will go in January as previously planned.

OSI

Dr. Chadwell will be in Boston tomorrow in order to attend a meeting at the A.D. Little Company and also a meeting of the Boston Scientific Advisory Committee. He will return to Washington Saturday morning.

Miscellaneous

The President has authorized, where practicable, that the administrative workweek for Christmas will be from 26 December to 29 December, inclusive, and for New Year's from 2 January to 5 January, inclusive.

DD/A

FBI has forwarded an interview with a source of known reliability who states that the Polish Vice-Consul in Chicago, who has just returned from Poland, gave the following indications of Soviet intentions to start a war: (a) Military service has been extended 1 year; (b) appearance of increased numbers of individuals in uniform; (c) setting up of security zones; (d) the Polish Government is stockpiling foodstuffs; (e) unrest among the peasants; and (f) stepped-up propaganda. This information has been furnished the members of the IAC by the FBI, with a request that it not be disseminated outside the receiving agency.

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OPC

Two cables from the Chief of Station/Thailand indicate that the political situation there is virtually resolved. The King has written a letter to the Prime Minister agreeing in principle to the constitutional changes proposed by the recent coup group and requesting Phibul, the present Prime Minister, to form a Cabinet. This letter was shown our Chief of Station at a conference held between him, the Prime Minister and Turner, the U.S. Charge d'Affaires. The situation, with the King's recent arrival serving to mitigate somewhat the power of Phibul and his group, is now particularly good for the use of political leverage to further U.S. aims. It is believed that our Chief of Station will be able to employ this leverage to its fullest extent.

The field has reported that the recent CIA-controlled International Federation World Veterans Organizations conference held in Belgrade was deemed successful. The conference agenda covered procedural matters principally although some pro-Western matters were favorably acted upon.

OO

As its defense in the U.S. Government suit against Sieling and Jarvis for forfeiture of the tanker "Meacham", David Jarvis is contending that the CIA "encouraged" his company to ship petroleum products into Vladivostok and Dairen. Jarvis further contends

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OO (Continued)

that both ONI and the Department of State also approved his company's activities. Although there should be no difficulty in effectively denying an "encouragement" which did not in fact occur, the possibility of having CIA involved in a case which might become a national scandal must be avoided. CIA's Legal Counsel is fully informed of the case, and is working with Department of Justice attorneys.

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Noted by DCI
12/10/51

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8:30 AM, 8 Dec. - 8:30 AM, 9 Dec.

Training

A representative of the Office of Training met with Professor Bellinger of Yale University to make final arrangements with him for accepting the position of establishing college contacts in 50 or more American colleges and universities primarily for the purpose of recruiting high-level basic trainees.

Initial steps have been taken to plan for the second CIA participation in a summer seminar on the Near East

Four field grade officers from the Dept. of State - 2 USAF and 1 each from Army and Navy - have requested permission to attend the next 4-day CIA Orientation Course. I&SO has concurred in admitting these officers to the course provided they can be security cleared.

Project ZRCORSET - On 5 Dec. representatives of JSPD and USAF met with Lt. Col. Wilde (OPC) and a representative of the Office of Training. The conference was called to clarify and explain the formal request for cover.

Informal conclusion reached was:

The USAF conferees stated that in their personal opinion the military services would support ZRCORSET as to its cover and as to its logistic support provided that:

1. Official written assurance from CIA be given JSPD that a firm agreement had been reached with the British Government permitting the proposed activities at ZRCORSET.
2. The requested logistical support be both factual and "reasonable".

The Office of Training was informed by OpsO/OPC on 5 Dec. that a representative of OPC had been directed to open the entire matter of negotiations with the British Government; that he is now in London; and that an imminent report of progress is expected.

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Training (Cont'd.)

Maritime Training Branch initiated inquiries with the Navy toward the training of 6 Norwegian civilians in underwater sabotage commencing June 1952.

Chief of the Air Training Branch arranged for the delivery of a C-45 aircraft to Washington. Security on cover and registration governing the purchase of the aircraft has been established.

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8:30 AM, 10 Dec. - 8:30 AM, 11 Dec.

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OSO

OSO/Rome has cabled the preliminary debriefing, conducted by an agent of Italian Intelligence, of a Hungarian atomic scientist who allegedly worked for several years in atomic energy installations in the USSR and Hungary before escaping to Switzerland. Although the Italian Intelligence agent, himself a Hungarian refugee, insists that the scientist will not agree to contact with US officials, he has, with the knowledge of his superiors, informed the US Army and Naval Attaches in Rome of the case.

OSO is giving first priority to clarification of the circumstances and assessment of the source.

Exploitation of the OSO/Athens operation against the Greek Communist Party is continuing with increase in Greek surveillance personnel to 150 men to provide for adequate surveillance of suspects. Greek authorities plan court martial proceedings against 4 separate groups in the Communist underground, a left-wing newspaper will be closed, and individual Communists who have penetrated a left-wing political group will be prosecuted.

Swiss police cannot confirm a French press report of 30 Nov. that 2 of Vishinsky's aides in the UN secretariat had defected and fled to Switzerland. French authorities declare flatly that the story is entirely false.

An OSO agent in Paris who was expelled from the French Communist Party in 1948 has been called to Party Headquarters for searching interrogation and hopes to be restored to membership.

OPC

The East German Peoples' Police is accelerating its drive against OPC propaganda efforts to discredit the Grotewohl "unity" proposal for all Germany. Recently, they have carried out house-to-house searches for an

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10 DECEMBER 1951

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OPC Cont'd.

OPC-subsidized clandestine newspaper and in several factories pocket and body searches have been made at the end of the day.

Circumstances definitely indicate that the fire on 1 Dec. in Macao which destroyed over HK \$3,000,000 worth of petroleum and fertilizers, including 165,000 gallons gasoline, lubricating oil and paraffin wax, is the work of a CIA guerrilla team. In addition, it has been confirmed by the group that about 330 drums of gasoline were destroyed 15 October in Macao by this group.

Further to the Chefoo-Dairen cable-cutting operation first reported 3 December 1951:

DTRIGGER Seawolf cut cable at 0220 December 1. Picked up approximately 120 yards of submarine cable, approximately 6 miles off Chefoo. Seawolf started toward home at 0400, passed 4 steel 100 ton class Patrol boats. One patrol boat challenged the Seawolf with a shot across the bow. When the patrol boat came alongside the Seawolf, DTRIGGER men climbed aboard the patrol boat. Seven patrol boat crew killed. Boarding party ran out of ammunition, pulled away and sank patrol boat with recoilless 57MM gun. Other patrol boats tried to close in but were held off by gun fire. Seawolf escaped in darkness and returned to Taechong-do early morning 2 December. Seawolf casualties one killed, 4 wounded. Seawolf returned Pusan 6 December bringing cable.

OO

The Defector Reception Center (Germany) received on 7 Dec. 1951, a Soviet Infantry Captain (former Major) who defected in Berlin on 5 December.

OSO is conducting preliminary interrogation to determine the defector's bonafides. When this is established, OO will cir-

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OO Cont'd.

circulate a request for re-
quirements to all IAC agencies.

Miscellaneous

As a result of liaison which was established following the visit of the Director, Pakistan Intelligence Bureau, with the DCI, a 44-page intelligence dissemination has been made based on a report received through liaison with the Pakistan Intelligence Bureau. This dissemination contains unusually detailed and comprehensive coverage of the Communist Movement in Pakistan.

Mr. Lay
NSC

DCI

At an early meeting NSC will consider Senior NSC Staff's draft policy on US objectives and courses of action in Korea; (a) should an armistice be achieved, (b) in event armistice negotiations fail, (c) in event of decision that Communists are deliberately delaying negotiations indefinitely, and (d) whether or not an armistice in Korea is achieved. Under (b), State Dept. does not concur in Defense's proposal for an immediate naval blockade of Communist China if negotiations fail.

AD/NE to expedite completion of SE-20, "Effect on the Communists of Certain US Courses of Action."

TOP SECRET 10 DECEMBER 1951

copy 1 of 7

TOP SECRET
SECURITY INFORMATION
DIRECTOR'S LOG

Noted by DCI
12/12 - *lee*

8:30 AM, 11 Dec. - 8:30 AM, 12 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

OSO/Rome, through its high-level penetration into the Italian Foreign Office, has obtained a copy of a basic study on the Trieste problem prepared by an Italian expert for the use of the Italian Foreign Office in discussing any settlement of the Trieste question. It is believed that this study will be of considerable value to the State Department.

The information obtained by Italian Intelligence from the "alleged escaped Hungarian atomic scientist" now in Switzerland, has been established by technical evaluations to be a fabrication by an individual with some knowledge of nuclear physics but without any actual knowledge of the installations, methods and personnel he has described.

While the inaccuracies and inconsistencies of his story to date appear to preclude the possibility of any planned deception, OSO/Rome will attempt to arrange for a complete interrogation of the subject to establish his motivation.

The Chief of the Swiss IS, currently in Rome, has been discussing matters of mutual interest with the Chief of the Italian Armed Forces Intelligence Service (SIFAR).

OPC

BCMARQUE is receiving excellent reports on news and leaflet drops on mainland. Since people are actually paying for the news bulletins, we are planning to have Civil Air Transport fly a full load over the coastal provinces of Chekiang and Fukien the week of 17 Dec. If successful, we will schedule one full load of approximately 10,000 lbs. thereafter. Up until this date, all leaflets have been dropped in the area surrounding Chin-Min Island for a radius of 60 miles.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 11 Dec. - 8:30 AM, 12 Dec.

DATE OF DOCUMENT	DATE RECEIVED	FROM	TO	SUBJECT	ACTION
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OPC Cont'd.

Our agents in Iran have reported on their efforts to pressure the Prime Minister into realization of the strength and dangerous potentialities of the Tudeh. A comprehensive report on Tudeh activities was prepared by the police and presented to Mossadegh by the Chief of Police. This was the first full report Mossadegh had received and he was sufficiently aroused to instruct Kalali to take any counter-measures he and his staff deemed necessary to cope with the announced Tudeh Youth demonstration of 6 Dec. (The extent of the direct involvement of our agents is now yet known.)

OSI



Miscellaneous

Maj. Gen. R. L. Walsh has submitted a memorandum concerning background information for any Government agency which might undertake the development of strategic materials in the region of British Guiana.

Noted by DCI and forwarded to DD/P for comment.

The Overseas News Agency has requested our comment on an unsigned letter that Agency received from Zurich proposing that a reliable person in Budapest could get copy out through Switzerland.

Col. Hansen for direct reply and coordination with DD/P.

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SECURITY INFORMATION
DIRECTOR'S LOG

12/13- rec

8:30 AM, 12 Dec. - 8:30 AM, 13 Dec.

TYPE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

On 11 Dec., Mr. Roy Tod of G-2 raised with DADSO, at the instance of Gen. Bolling, G-2's desire to be briefed in detail on OSO's capabilities for producing information on the high priority Soviet and satellite targets submitted by the Inter-Agency Priorities Committee. DADSO informed Tod that OSO would not reveal its operational methods or the locations of its agents without specific authority from the Director and reminded him that OSO had recently briefed the Inter-Agency Priorities Committee and the IAC on its activities to the extent that it was felt proper to do so. DADSO then suggested that the Army would undoubtedly receive some additional indications on the general aspects of OSO's capabilities in the course of discussions which will be held if the Director approves a series of meetings with the service representatives on "agreed activities" under NSCID #5. It should also be noted that Mr. George Garrett of the Air Force raised in a less direct manner this same question of capabilities during the IPC meeting on 7 December.

Subject to the Director's approval, OSO will continue to keep the IPC and the IAC informed of its capabilities and actions on requirements for clandestine collection, but will not reveal details of agent operations, since there is no indication of the use to which the services would put this sensitive information or how widely it would be spread through the Pentagon, to the possible detriment of CIA security.

DADSO and other OSO officers briefed FBI representatives Belmont, Bates, and Keay on CIA and OSO organization and reached agreement on procedures and practices which should result in mutual advantage. The problem of servicing one another's requests was analyzed and is being formalized jointly. Discussion was specific and detailed but cordial and cooperative.

Working-level liaison has been established between OSO and the FBI on a counter-intelligence research project directed against the Czechoslovakian Intelligence Service.

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DIRECTOR'S LOG

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

8:30 AM, 12 Dec. - 8:30 AM, 13 Dec.

OSO Cont'd.

A British Secret Service officer told OSO/London that Brigadier J.H. Nicholson will replace Air Commodore James A. Easton as Asst. Chief and Air Commodore Easton will step up to Maj. Gen. John Alexander Sinclair's position of Vice Chief. Gen. Sinclair will become Chief when Maj. Gen. Sir Stewart Menzies retires. These changes are expected in about 6 months.

OPC

The Fukien Anti-Communist National Salvation Army, a force of 1,000 CIA trained guerrillas, conducted their fourth diversionary raid on Chinese Communist held territory on 7 Dec. This time the guerrillas traveled 90 miles from their home base, Chin-men Island, and raided Nan-jih Island 6 miles off shore of central Fukien Province. During the raid 13 motorized Chinese Communist junks were badly mauled by a Chinese Nationalist warship while attempting to reinforce the Island. The raiders withdrew after 6½ hours of combat which resulted in Chinese Communist losses of 100 dead and wounded and the capture of 14 regulars of the 249th Regiment, 83 civilians, one radio operator and a number of militia to Chinese Nationalist losses of 8 dead and 23 wounded.

60

The East and West Coast Bureaus of FBIS have been alerted to file to Washington all material on the reported Brazilian mobilization of troops for the United Nations. This arrangement was set up following inquiries from the office of Brig. Gen. Edwin L. Sibert, Inter-American Defense Board.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 12 Dec. - 8:30 AM, 13 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OO Cont'd.

The Sovmat Staff has today released for dissemination a 464 page report on the Soviet T/34 tank. The tank was captured in Korea and examined in detail under contract with CIA. The vehicle was completely disassembled and technical examination was made of all components. Where possible, the report compares findings with those of the US Army and of the German investigators, each of whom had performed extensive analyses on earlier examples of this Soviet type tank.

Miscellaneous

The President has directed that the Office of Defense Mobilization provide a mechanism to coordinate within the Departments and Agencies of the Federal Government an integrated and effective program to meet the nation's requirements for blood, blood derivatives and related substances.

DD/A

Sec/Def has approved our request that the Armed Forces Medical Policy Council be authorized to meet with a representative of this Agency.

DD/A

Mr. Lay DCI
NSC

By memorandum action the NSC has dissolved the Special Committee on East-West Trade. Following projects, on which action was not completed by the Special Committee, have been referred to Mr. Bohlen and Gen. Roberts (Mr. Harriman's office) for action: Japanese Trade with the Soviet Bloc, Analysis of Soviet Bloc's Trade with the Free World, and Decreasing Reliance on Trade with the Soviet Bloc.

Informed Dr. Langer and Dr. Millikan.

The President has designated Mr. Edward T. Dickinson, Vice Chairman of the NSRB, as Senior NSRB member of the NSC Staff.

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12 DECEMBER 1951

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DIRECTOR'S LOG

Noted by DCI
12/14-lee

8:30 AM, 13 Dec. - 8:30 AM, 14 Dec.

DATE OF DOCUMENT RECEIVED FROM

TO

SUBJECT

ACTION

OSO

Chief, OSO/Belgrade reports that Gen. Velebit has informed Ambassador Allen that all arrangements for liaison between CIA and the UDB in Belgrade will be complete within a week. The Yugoslav officer selected to conduct this liaison will be the direct representative of Interior Minister Rankovic but will sit in the Yugoslav Foreign Office for cover purposes and to avoid the precedent of allowing foreigners to go directly to the Interior Ministry. This procedure follows that proposed by CIA during the original conversations with Gen. Velebit.

Chief, British Secret Service/Madrid has indicated to the U.S. Legal Attache that the British, having already flown radio direction-finding equipment to Madrid, might proceed without Spanish approval to locate a clandestine transmitter in the Valencia area which is one of the targets of a joint CIA-Spanish Intelligence project. Reporting this to OSO/Madrid, the Legal Attache added that the Spanish Chief of Counterintelligence has said, in view of his agreement with CIA, that he would take action against the British if they should pursue the operation.

A Norwegian Intelligence officer has advised OSO/Oslo that Nils Langhelle, now Minister of Communications, will replace Defense Minister Hauge, who may become Minister of Justice. OSO fears that the Chief of Norwegian Intelligence, owing to his cordial personal relations with both Ministers, may succeed in monopolizing liaison with CIA by dissolving OSO's promising liaison arrangement with the Norwegian Police, approval of which was recently given with reluctance.

OSO representatives briefed Ambassador Christian Ravndal, newly appointed US Minister to Hungary, on the status and duties of the OSO officer in Budapest. Ambassador Ravndal

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(CONTINUED) 13 DECEMBER 1951 COPY # 1 OF 7.

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8:30 AM, 13 Dec. - 8:30 AM, 14 Dec.

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OSO Cont'd.

remarked that he had already formed a high opinion of the OSO representative on the basis of his reports to the State Dept. made as Acting Political Officer of the Legation in Budapest.

202 OSO Headquarters employees donated blood to a Red Cross Blood Mobile unit on 11 and 12 Dec. An additional 134 volunteers could not be processed.

OPC

A second issue of a small 4-page clandestine newspaper addressed to German youth has been prepared and litho-printed by an OPC-directed German editorial team. Some 10,000 copies of this paper are being distributed in the Soviet Zone of Germany.

OO

A two-hour interview between Representative Frank L. Chelf (D., Ky.) and Maximilian Jiri Lom, who defected in August from his post in the Czech Ministry of Foreign Trade, was arranged by the Defector Reception Center (Germany) on 29 Nov. 1951. Representative Chelf, member of a House Judiciary Committee group which had visited DRG(G) 9 days earlier, asked permission to discuss with Lom the Oatis case and the probable effects of severing U.S. diplomatic relations with Czechoslovakia. During the confidential interview, the Congressman told Lom that he planned to introduce a resolution calling for the severance of US-Czech diplomatic relations if Oatis is not released promptly.

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DIRECTOR'S LOG

8:30 AM, 13 Dec. - 8:30 AM, 14 Dec.

TE OF DATE
CUMENT RECEIVED FROM TO SUBJECT ACTION

OSI

On 11 December, at the request of OSI, a meeting was held with Gen. Davison, Mr. Fuchs, and other fiscal and personnel representatives to discuss the emergency action required to effect the transfer of concerned CIA personnel in Germany from State Dept. to CIA rolls, prior to 1 January. This problem is a facet of implementing the Truscott-McCloy Agreement of 23 October 1951.

ORR

Dr. Millikan received a letter [redacted] expressing appreciation for the information supplied him about the "Current Digest of the Soviet Press" and informing us that the Board of Trustees [redacted] has granted \$50,000 for the support of the "Current Digest."

OO, which has been handling the details of the proposed CIA financing of the Digest has been informed and has withdrawn our funds

Miscellaneous

The U.S. Attorney, Southern District of New York, has requested information on the China Daily News, which has published advertisements concerning the remittance of funds from the U.S. to China.

Legal Counsel through DD/A.

Admiral Souers has forwarded a chemical formula that was developed by Dr. Kormel Szabo who was chief chemist of Nitrochenia Inc., owned by the Hungarian State. This formula was submitted to Adm. Souers by Ladislos Fargo of New York City, presently an employee of Radio Free Europe.

AD/SI

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DIRECTOR'S LOG

17/15- Dec

8:30 AM, 14 Dec. - 8:30 AM, 15 Dec.

TE OF DATE
CUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

State Dept. informed OSO that Vishinsky is circulating a petition in the UN which protests the use of "electrical torture devices" by "U.S. security police" on Communists recently arrested in Greece and requested information to guide its action in the matter.

OSO informed State that an OSO officer in Athens had occasionally used a lie detector to assist Greek Security interrogation of Communists, who submitted voluntarily to the procedure. Vishinsky's maneuver seems clearly designed to diffuse the impact of evidence to be presented in the impending trials of Greek Communists arrested during CIA's recent effective campaign against them. State will drop the matter on the basis of this explanation.

OSO/New Delhi reported that Prime Minister Nehru has welcomed with enthusiasm OSO's suggestion that Indian Intelligence officers be trained in the U.S. He insists, however, that the officers selected for training remain in India until the end of the Indian general elections about 1 February 1952.

John Bruce-Lockhart, British Secret Service liaison officer in Washington, told the Chief, FDW/OSO that Spanish Intelligence had requested British support in radio-locating secret Soviet transmitters before asking for CIA assistance. Since the British are now ready to proceed, he suggested that CIA should either join in a tripartite operation or withdraw from the project.

OSO does not feel that this expression of British interest should modify the present bilateral arrangement made without knowledge of any British involvement.

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8:30 AM, 14 Dec. - 8:30 AM, 15 Dec.

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OSO Cont'd.

The Senior CIA Representative in France, seeking to provide against political repercussions which might result from French discovery of OSO's stay-behind network in France, is considering disclosing its existence to SHAPE.

OSO is urging that he instead attempt to place the network under protection of the French Ministry of the Interior.

OPC

The Board of Directors of the Boston Symphony Orchestra, Headed by Mr. Henry Cabot, has agreed to the orchestra's participation in the Spring Festival in Europe under the auspices of the Congress for Cultural Freedom. The plan provides for 2 or 3 concerts in Paris and a subsequent tour of Western Europe. The agreement represents a sacrifice of about \$20,000 which ordinarily accrues to the orchestra each Spring in the course of its "Pop" concerts.

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SECURITY INFORMATION
DIRECTOR'S LOG

Noted by DCI

12/17-201

8:30 AM, 15 Dec. - 8:30 AM, 18 Dec.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

Discussing the reported capture of 2 members of the CIA-Dutch agent team dropped into Rumania on 18 Oct., the Chief of Dutch Intelligence remarked that we must expect such reverses, and added that he hopes for better luck with the joint team of Bulgarian agents scheduled for spring dispatch. SO/The Hague notes that a Dutch Communist newspaper mentioned no Dutch connection in reporting the incident but listed the team's captured equipment in such accurate detail as to make it doubtful that any members still at liberty have means of communication.

TRAINING

HTMUTUAL - We have received a request from FE/OPC to conduct Project HTMutual which involves the training of 5 to 10 Philipinos. This is to commence around the early part of February and will, in all probability, extend over a period of from 4 to 5 weeks.

KMKIMONO - Nine Political Action students were delivered to the custody of TRC on 1 December 1951. They have been given extensive briefing and a program has been carried out which included extensive individual personal interviews, the writing of their individual personal histories and the writing of their views on "Democracy versus Communism". Polygraph tests of each individual student, plus two instructors not previously given these tests, were commenced on 12 December 1951.

MISC

Mr. Gordon Gray has requested special intelligence clearance for his Deputy, Mr. Tracy Barnes.

AD/CI

NSC has approved our request to withdraw NSC 10/4 from further consideration.

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SECURITY INFORMATION
DIRECTOR'S LOG

RECORDED BY
12/18 - sec

8:30 AM, 17 Dec. - 8:30 AM, 18 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

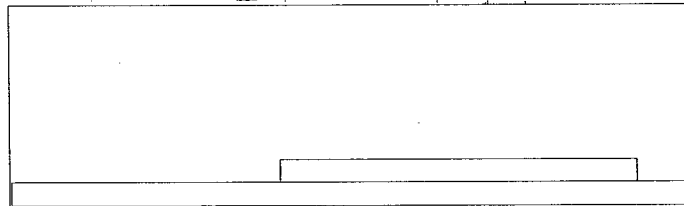
OSO

Chief, OSO/Belgrade met for the first time with the Yugoslav Intelligence officer designated to conduct liaison with him and presented a broad and comprehensive outline of CIA's views on the relationship. The Yugoslav reply, expected this week, should define the initial scope of the liaison, after which the Chief of Station will return to Washington for discussion of its further development. The Yugoslav representative confirmed that OSO's Chief of Station is personally acceptable and that his past intelligence activities in Yugoslavia will not prejudice the association.

A Finnish agent, who has performed 2 missions in Soviet Karelia for the Army Attache/Helsinki acting for OSO, escaped illegally last month to Sweden to avoid arrest by the Finnish Border Guard on Soviet request. Following his arrest by Swedish authorities, he gave Swedish Intelligence a full account of his activities, including the identity of the agent who accompanied him on both missions but is still in Finland, though unidentified by either Finnish or Soviet authorities. To forestall an anticipated Finnish request for extradition, Swedish Intelligence has now offered to release the agent to OSO/Stockholm for immediate removal from Sweden.

OSO is arranging, with Army approval and assistance, to evacuate the agent to Germany, in order to protect both the Army Attache/Helsinki and the agent in Finland.

OO



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8:30 AM, 17 Dec. - 8:30 AM 18 Dec.

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TO

SUBJECT

ACTION

OO Cont'd.

OPC

An attempt to re-supply an OPC operational team in Northern Albania failed on 13 December when no recognition signals were seen. Radio contact was last established with this team on 14 November.

An OPC-subsidized group in East Germany, the Free Jurists Committee, has asked the United Nations to investigate a long list of criminal acts by the East Zone state security police. The committee has offered to produce 9,000 documented cases and 42,000 sworn statements to back its charges against the Soviet Zone police of "murder, illegal detention, bodily injury, extortion of confessions, persecution of innocent persons and forced denunciations and spying." A story covering the documented cases and sworn statements was carried in the New York TIMES of 13 December 1951.

During the large-scale riots in Iran on 6 December, our chief agents played a role both in involving the Prime Minister and his government in an anti-Tudeh program, and

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OPC Cont'd.

in involving the religious forces under the fanatical Moslem cleric Kashani in anti-Tudeh action. Despite excesses during the riots directed against anti-Tudeh elements as well as against the Tudeh, our agents consider that the total result of the riots was favorable, since they have forced the government and the Shah to decide whether to advance resolutely against the Tudeh or to retreat before it. CIA agents are operating a large-scale press service, furnishing anti-Tudeh caricatures, cliches, articles, translations, and news, and claim to have penetrated almost every Teheran newspaper through this means.

MISC.

In view of the expected visit of Mr. Churchill, Gen. Sanford has requested that there be prepared on a priority crash basis a special estimate

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Noted by DCI
12/19-DC

8:30 AM, 18 Dec. - 8:30 AM, 19 Dec.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC

We are dispatching an agent from Cairo to Karachi, to attend the World Moslem Conference scheduled for 5 January. He will stop in Teheran en route, to see the influential Moslem cleric Mullah Kashani. At the World Moslem Conference, where we may have several CIA agents present, we hope to achieve the following objectives:

- (a) To influence the Conference to adopt an anti-Communist stand.
- (b) To counter the ultra-nationalist tendencies of Mullah Kashani and the former Grand Mufti of Jerusalem.
- (c) To gain operational intelligence.
- (d) To obtain a definite check on the reliability and usefulness of this agent as our principal one in our pan-Islamic program.

Cho Do and Soc Do, on the west coast of Korea above the 38° parallel, are threatened by an imminent amphibious invasion. Night amphibious attack is costly and since the Islands have been offered for barter to the Communists by Adm. Joy, the U.S. Navy is of the opinion that the Islands' defense by 4 destroyers and one carrier is not worthwhile.

All CIA personnel are being evacuated to Paengryong-do Island below the 38th parallel to carry on E&E and guerrilla operations.

OSO

According to OSO/London, the British Secret Service considers its current request to join CIA and Spanish Intelligence in radio-locating a secret Soviet transmitter in Spain to be a reasonable one, since only Foreign Office disapproval had prevented previous initiation of the operation. OSO/Madrid, however, reports that the Chief of Spanish Intelligence wants the project to continue on its present basis as a US-Spanish operation.

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(CONTINUED) 18 DECEMBER 1951 COPY # 1 OF 7.

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SECURITY INFORMATION
DIRECTOR'S LOG

8:30 AM, 18 Dec. - 8:30 AM, 19 Dec.

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OSO Cont'd.

The State Dept. has reopened the question of a reply to Vishinsky's charge that US officials in Athens have used an "electrical torture device" in interrogating Greek Communists. State suggested that we admit the use of the polygraph by Mr. Robert Driscoll, "an Embassy Attache", and offer a demonstration to the UN committee. OSO does not object to this on security grounds but is of the opinion that any admission will merely furnish opportunity for further Soviet charges.

If State decides that a reply must be made, the statement will be submitted in draft for CIA comment.

According to the German Chief of ZIPPER, Hans Globke, Chancellor Adenauer's Assistant for Personnel, is now convinced that the German counterpart of OPC should be placed under German Intelligence, not under the future Defense Ministry. The ZIPPER Chief himself firmly believes that activities of this type should be limited to subversion by clandestine propaganda and that CIA should not discuss planning for resistance activities with the German Government.

Although State Dept. must reply formally to the Rumanian note charging US sponsorship of the 2 (OSO-Dutch Intelligence) agents recently captured in Rumania, State has not yet decided whether to ask CIA for any information it may have on the matter.

Gen. Umberto Broccoli, Chief of Italian Intelligence, has accepted CIA's invitation to come to the US on 14 January for a two-week visit.

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APPROVED BY DCI
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8:30 AM, 19 Dec. - 8:30 AM, 20 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO

The 2 agents reported by Radio Moscow to have been apprehended and executed in the Soviet Union are undoubtedly identical with 2 OSO agents dispatched by air into the southwestern Ukraine on 14 August. The facts so far reported by the Soviet radio are accurate.

After discussion with DD/P, the British Secret Service representative in Washington has agreed to recommend that the British withdraw their request for participation in the CIA-Spanish Intelligence project to locate and control a secret Soviet Intelligence transmitter operating in Spain. He will recommend further that information produced by a related Soviet double-agent case in Spain be passed to CIA in return for the product of the US-Spanish project.

The Chief of Italian Intelligence reported to OSO/Rome, on the return of a group of Italian Intelligence officers from a staybehind training course in London, that the training was strictly limited to general orientation and instruction, without specific application to the Italian situation. He added that the British would probably now propose a more concrete form of operational collaboration in staybehind matters, remarking that there has been indication of British desire to join with CIA in a tripartite approach to a staybehind program.

Briefed by the Chief, OSO/Canal Zone, Maj. Gen. L. J. Whitlock, commanding USARCARIB, extended his best wishes to the DCI together with assurance of full support to CIA activities in the Panama area.

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8:30 AM, 19 Dec. - 8:30 AM, 20 Dec.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OPC

A CIA propaganda team in Germany has produced over 500,000 propaganda leaflets, posters and stickers to combat the Grotewohl "unity" proposals. One of the items is a picture poster reading, "Not All-German talks, but Free Elections Bring Unity in Freedom." This poster depicts a heavy wall pierced by a flow of ballots. Another CIA distribution group disseminated over 400,000 pieces of propaganda. Among these were 34,000 toy balloons bearing slogans with freedom themes.

In accordance with the request of the DCI, Mr. Roosevelt, Chief of NEA Division raised with the Dept. of State the matter of additional policy guidance for CIA on the developing Iranian crisis. State Dept. officials indicated that specific emergency action had not been discussed with the British. They said that time was needed to re-examine the U.S. position on Iran and indicated that many questions. Mr. Roosevelt raised might require an NSC directive. They said they would give the matter further thought and would communicate with Mr. Roosevelt later.

A CIA agent under the cover of Press and Information Officer for the State Dept. was assigned to attend the recent United Nations General Assembly meeting in Paris. In an unofficial capacity our agent contacted CIA personnel in Paris in order to better exploit UN news events such as Vishinsky's laugh. This was accomplished through CIA's printing houses and distribution channels both to member delegations and to the public at large. Although our agent's true identity was revealed accidentally, we have discovered the value of an "on the spot" channel for intelligence gathering and dissemination. In addition, we have laid the organizational ground work should we in the future desire to have a representative at other United Nations meetings.

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DD/A

The meeting with the Armed Forces Medical Policy Council was attended by the Chief, Medical Staff, as scheduled. Items were discussed as originally coordinated within the Agency and appeared to have a favorable reception by the Council. Adm. Pugh, U.S. Navy, requested the opportunity to further study the proposals and final action was deferred pending completion of the study. The Council Secretary will keep the Chief, Medical Staff, informed as to developments.

ORR

Dr. Millikan visited [] to discuss a program of research in the field of economic development which [] proposed to undertake with funds from the State Dept. and from private sources.

MISC.

Gen. Bolling has been advised that (a) the DCI is in accord with the suggestion that an agreement should be developed covering the conditions under which Army Intelligence may conduct espionage and counterespionage operations overseas; (b) it seemed desirable that the Navy and Air Force should be included in such an agreement; (c) Kirkpatrick will pursue this matter further with G-2's designated representative.

Gen. Weckerling has recommended that (a) NIE-35 (Probable Development in Indochina during the Remainder of 1951) be revised; (b) since the 30-day armistice negotiation period in Korea is about to expire and the actions of Communist negotiators may give some indication of Communist future intentions, that this revision be delayed until after the beginning of 1952.

AD/NS for preparation of proposed reply for DCI signature.

The Director for Mutual Security, and the Chairman, NSRB, have been requested to nominate representatives on the Economic Intelligence Committee authorized under NSCID 15.

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Noted by DGI
12/21-lee

8:30 AM, 20 Dec. - 8:30 AM, 21 Dec.

DATE OF DOCUMENT DATE RECEIVED FROM TO SUBJECT ACTION

OSO

OSO/Japan has reported that a safe which was transferred from Korea to Yokosuka during the US military evacuation of Pyongyang and Seoul in late 1950 was stored unopened without record or clearance through the Security Officer and sent in April 1951 to the Tokyo office of Remington-Rand for repair. Employees of Remington-Rand forced the safe without notice to OSO officers and held its contents, classified materials relating to the operations of the OSO mission in Korea, in the office of the U.S. supervisor until 3 Dec. 1951.

OSO/Japan has undertaken a full investigation of the matter, including security examination of all Remington-Rand personnel who may have had access to the material, and will forward a complete report.

DADSO conferred at State with Mr. Robert Joyce and Mr. Fisher Howe, at the latter's request, on the reasons for Ambassador Butterworth's reluctance to have Mr. George Bond, joint OSO/OPC representative, assigned to Stockholm under Naval Attache cover. At this meeting DADSO informed the State officials that Ambassador Butterworth had now agreed to accept Mr. Bond under ordinary Foreign Service cover but that he was requesting agreement from CIA to a limit of 5 officers and 5 clerical personnel with official status in Stockholm. This led Mr. Joyce and Mr. Howe to request a consolidated OSO/OPC staffing pattern for Sweden in an effort to establish whether or not Ambassador Butterworth's conditions could be accepted.

OSO and OPC are now developing the desired data which will be submitted to DD/P shortly.

The Chief of the Intelligence Section of the Finnish Social Democratic Party has asked OSO/Helsinki to furnish recording devices to assist counter-intelligence coverage of Communist activities in Finland.

OSO/Helsinki will reply that equipment can be provided in proper cases and will request detailed information on the types of equipment needed and its proposed use.

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8:30 AM, 20 Dec. - 8:30 AM, 21 Dec.

DATE OF DOCUMENT RECEIVED FROM TO SUBJECT ACTION

OSO Cont'd.

OSO representatives discussed with Mr. Fisher Howe, of State Dept., a possible State violation of OSO's "critical security" designation, which forbids transmission of material so marked outside the US, in the handling of information furnished by an extremely sensitive Italian source.

Mr. Howe will make a discreet investigation of the incident before taking further action.

OPC

A four-man CIA team in Northern Albania has been re-supplied by a covert plane for the first time since 10 Oct. All radio contact with this team had been lost for over a month when the successful supply mission was flown on 19 Dec.

Leaflets produced by a CIA-sponsored group, the "Fighting Group Against Inhumanity" have been mailed to 2,000 known Communist sympathizers in the Soviet Zone of Germany. The leaflets carried a strong warning based on the theme that there is still time for the pro-Communist East Germans to turn back.

OSI



MISC.

Mr. Gordon Gray has requested the establishment of one Senior Assistant (GS-17) with Assistant Director rank to handle relationships with the NSC and other matters involving the highest levels of Government both in the Executive and Legislative branches. This position is

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MISC

in lieu of 2 Special Assistants (GS-16) previously proposed. Mr. George Morgan of State is being considered for this job.

DD/A

Mr. Webb has forwarded a paper "Considerations of the Department of State in the Use of Scatter Transmissions in the VHF Regions" for our comments. This paper was prepared in connection with a study produced by MIT (Troy Project) designed to increase the effectiveness of State Department's international information program.

AD/Communications for preparation of reply for DCI signature and coordination with AD/CI, AD/SI, AD/RR.

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Noted by DGI
32 Dec 51 - 10

ATE OF DATE 8:30 AM, 21 Dec - 8:30 AM, 22 Dec 51
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OPC

Washington has agreed to suspend temporarily all further covert air operations based in the German area. This decision was reached at the suggestion of Brigadier General Lewis, USAF, who feared that if a covert plane were forced down in a future mission it would endanger the lives of the four Air Force crewmen now in Hungarian hands. From Washington's viewpoint another important reason for this decision is the current discussions of the Mutual Security Act now going on in the United Nations General Assembly. The U. S. position in this matter would be considerably weakened if our covert operations were further compromised.

Ten thousand leaflets, the first in a series addressed directly to the farmer and peasant population of East Germany, have been distributed by a covert CIA propaganda net. This publication marks another step in the effort of the CIA German Mission to produce propaganda directed to a specific group of the Soviet Zone population.

Rear Admiral Aziz Ulsan, G-2 of the Turkish General Staff, has arrived in Washington with a military mission concerned with Turkey's future status in NATO.

A conference was held 20 December at the Department of State with Mr. Harry Villard, Minister Designate

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OPC (Continued)

to Libya, two general officers representing the Air Force, Mr. Gable, Chief of the Air Maritime Division, and a representative of CIA, re the ARC Wing Program. Mr. Villard was thoroughly briefed and promised to support the program to the best of his ability. The conferees agreed that:

- (a) The Wing should be developed gradually so that there would not be large troop movements in the area at the same time;
- (b) There should be a minimum amount of publicity;
- (c) Insofar as is possible, the British should be informed; and
- (d) Mr. Villard should naturally be kept fully informed.

MISCELLANEOUS

Mr. Haraden Pratt, Telecommunications Advisor to the President, is preparing a study relating to the radio monitoring ability of the several governmental organizations and has requested this Agency's participation.

AD/Communications for coordination with AD/CI and AD/CO.

British Joint Services Mission

British [redacted] proposed the establishment of a NATO Security Committee with representation from all NATO countries and responsible to the Council Deputies. The proposed committee would supersede, as a policy-making group, the existing Security Committee (US, UK and French representation) which formulates policies and procedures governing all phases of NATO Security System.

No CIA action required now per AD/IC. Sent to Chief, I&S through DD/A, for development of CIA position.

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MISCELLANEOUS (Continued)

Mr. Gordon Gray has requested that we make the necessary arrangements to permit the compensation of Dr. Allen effective 1 January 1952.

DD/A

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8:30 AM, 22 Dec. - 8:30 AM, 23 Dec.

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Training

Two members of the Maritime Training Branch are attending a symposium on underwater swimming, sponsored by the National Research Council in Coronado, Calif. - on completion they will inspect Santa Catalina Island for its suitability as a maritime training base.

ISOLATION - Administrative Services has arranged meetings for 26 Dec. in Richmond, Virginia, with owners of 2 housing developments to discuss possibilities of obtaining advanced commitments of rental of a block of houses for use by ISOLATION personnel.

ZRELOPE - An investigation has been started to locate a possible training site for use in the event the ZRCORSET site is not available. An informal inquiry has been made to the Bureau of Yards and Docks and they have suggested 5 possible areas. Of these, 2 are inadequate or not adaptable either due to location or lack of acreage.

Additional details are being assembled on the 3 other sites in order to determine whether an inspection of each is desirable. Also various sites inspected in late 1950 and the early part of 1951 are being restudied as to possible use for paramilitary training under ZRELOPE.

MISC

Mr. John H. Ohly, Asst. to the Director of Mutual Security, has withdrawn his letter to Mr. Lawton concerning the inclusion of an additional \$50,000,000 in the FY 1953 Mutual Security program for special purposes in the Far East.

DD/A

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8:30 AM, 26 Dec. - 8:30 AM, 27 Dec.

OPC

CIA's Chief Scandinavian Representative met on December 20 and 21 with the Secretary General of the Norwegian Social Democratic Party to discuss the formation of a psychological warfare stay-behind net in Norway and the support of the Social Democratic current anti-Communist activities. Conversations on both subjects were most satisfactory, although the Secretary General indicated he would prefer not to engage in the formation of a psychological warfare stay-behind net if the British were to be involved as a third partner.

OSO

The Hungarian announcement on 23 December that 4 U.S. intelligence agents have been arrested in Hungary identifies 2 by name. Weissengruber is an OSO agent run by the Salzburg base who entered Hungary on 25 October. Baranyi is one of the agent prospects he was to recruit. OSO surmises that the other 2 may be another Salzburg agent, who accompanied Weissengruber, and a second prospective recruit.

The damage to future Hungarian operations by compromise of Salzburg facilities is being assessed, but is not believed critical. The man-smuggler who assisted the agents to enter Hungary and might have betrayed them will be fully interrogated and checked by polygraph.

OSO officers in Washington have been discussing closer cooperation and exchange of information on Communist activities in Norway with Haakon Lie, Secretary of the Norwegian Labor Party. Mr. Lie hesitates to expand his cooperation with OSO, but has agreed to furnish monthly reports on the Norwegian Communist Party, on which he is considered an authority.

The Turkish National Security Service reported radio contact on 19 Dec. with a joint OSO-Turkish agent in

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OSC Cont'd.

the Crimea. Radio contact with this agent was last made on 21 July 1951.

The French Ministry of the Interior has been criticizing daily the "ineffectiveness" of Robert Hirsch, Director General of the French Surete Nationale. This supports current rumors that M. Hirsch will soon resign. Germain Vidal, Chief of the Surete's Renseignements Generaux is rumored as a possible successor.

MISC.

Mr. Lay, NSC, expresses appreciation and commendation for high degree of cooperation and assistance rendered by CIA staff representatives Lowell Chamber and Samuel Clabaugh on the Special Committee on East-West Trade.

DD/P

Mr. Gray states that he has set up a briefing with Col. Johnston, AD/PC, for certain key members of PSB Staff on Friday, 28 December, and requests clearance on briefing for individuals. They are: H. Tracy Barnes, Deputy Director; Palmer Putnam, Directors Group; and George Morgan (provided he has joined PSB by 28 December.)

DD/P (Col. Taylor) for recommendation and action.

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Notes of DCI
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OSO

Lt. Gen. Grigoropoulos, Chief of the Greek National Defense General Staff, signed an order on 19 Dec. appointing Brigadier Christodoulos Gerogiannis to be Director of the Directorate of Intelligence Services effective 5 January 1952. This, in effect, relieves the present incumbent, Brigadier Nikolopoulos, who has been extremely cooperative with OSO/Athens during the past 2 years. Brigadier Gerogiannis, who is an officer of the Engineer Corps, is practically unknown in intelligence circles. This action of Grigoropoulos is interpreted by a reliable high-level military source as a direct blow at pro-US elements in the Greek Army.

In accordance with a previously agreed course of action, OSO/Athens is discussing this development with the US Ambassador in an effort to remedy a situation which could be disastrous to OSO and OPC plans and operations in Greece.

A British Secret Service officer informed OSO/London that he could not comment on Czech charges of espionage against the British Second Secretary in Prague and his stenographer assistant until he has studied a report on the affair. (A U.S. State Dept. query to the British is being handled on the service level at the suggestion of the British Foreign Office.) OSO knows that the Second Secretary, Robert Neil Gardner, attended a British Secret Service training course in special operations in 1949.

The OSO Chief of Station, Vienna, has been confidentially informed by the Counselor of Embassy in Vienna that the U.S. High Commissioner for Austria, Ambassador Donnelly, will replace Mr. John J. McCloy as High Commissioner for Germany. No date was mentioned.

OSO representatives briefed Mr. Edward Barrett and Mr. Wallace Barber of State on official Czechoslovakian documents leading up to the arrest of William Oatis. State will now decide whether to publish these documents, made available for the purpose by OSO, to counter recent Soviet and Satellite charges of US espionage.

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OPC

A propaganda supply team in Germany has prepared over half a million items of propaganda to celebrate Stalin's 72nd birthday. Among them are 50,000 posters with a picture of the aged Stalin saying, "The Stalins come and go," a play on the remark Stalin once made, "The Hitlers come and go." Ten thousand of these will be posted in East Germany and 40,000 in West Germany. Another 400,000 small stickers showing an almost empty hourglass and either a death head or Stalin's profile also are being put up in the Soviet Zone of Germany. And finally, 100,000 leaflets will be sent into East Germany by rocket, wishing a Merry Christmas to all and an unhappy birthday to Stalin.

MISC.

Mr. Lay, NSC DCI



To NSC Staff Assistant (Mr. Stout) for formulation of coordinated CIA position.

The AEC proposal has been referred to Senior NSC Staff for preparation of a recommendation for Council and Presidential consideration.

Gordon Gray DCI

In a letter to DCI, Mr. Gray suggests that a representative of CIA attend staff meetings held in Mr. Gray's office at noon each day. Mr. Gray is making a similar suggestion to the other 2 PSB members.

To DD/P for preparation of reply for DCI's signature.

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		Gordon Gray	DCI	<u>MISC.</u> Mr. Gray has furnished DCI with 5 copies of excerpts from the briefing at 26 Nov. meeting of the PSB members, on the organization and functions of Mr. Gray's office and the PSB staff.	SI/DCI acknowledged receipt. Copies of excerpts to DD/P.

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OPC

A three-man team will be sent into Albania overland to determine the effect of the recent propaganda leaflet and supply drops in that country. This is one-shot mission. The men will leave as soon as they have secured the necessary information on the effectiveness of the CIA drops.

Two junks dispatched to rendezvous point to pick up communications teams bound for Chinese guerrilla columns were seized by the Hong Kong police prior to contact and towed to Hong Kong harbor on 22 Dec. A third junk met the SS Hope and took aboard 3 indigenous agents trained to counteract Communist infiltration. A preliminary report indicates that the operation was not compromised, although apparently the Hong Kong police were informed to an unknown extent.

CIA has successfully completed negotiations for the exclusive use of Fort Randolph, Canal Zone, as a reception and rehabilitation center for defectors and covert agents when the usefulness of such aliens has been exhausted or security considerations require such action. The purpose of establishing such a center is to receive and control the defectors under secure conditions, to orient them to the democratic way of life, and to provide such language and vocational training as may be essential to their self-support in a new environment. Upon completion of rehabilitation of the individuals, they will be disposed of by resettlement in foreign countries, principally in Latin America. The US Army will provide cover, and the activity will be known as the Army Civilian Rehabilitation Center.

Communications Received:

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ID/P

Communications Received: The British Embassy (Mr. Lockhart) has reported that the Italians are suspicious of the lack of tie-up between the British and American Services with respect to War Planning in Italy, and the British have been embarrassed as to a satisfactory explanation. Mr. Lockhart offers this as background in view of Gen. Broccoli's approaching visit, and offers to discuss the matter with us if they can be of help.

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OSO

The Rumanian announcement of the execution of 4 espionage agents and the suicide of a fifth correctly identifies the 3 whose capture was not previously announced and leaves little room for doubt that all 5 members of the OSO-Dutch Intelligence team dispatched from Athens on 18 October were in fact captured.

A reliable source in Germany has reported that "the security officer" of the US Displaced Persons Commission orally transmitted sensitive CIA information to an official of the International Refugee Organization. Since representations to the Commission have previously been necessary in this respect, ADSC has written the Commissioner to request an immediate investigation and report.

Air Force recently requested CIA guidance on a project independently initiated several months ago by Lt. Col. Charles Edwards, Asst. Air Attache in Istanbul, to procure a Soviet jet aircraft by defection of a Soviet pilot in Rumania through an untested Rumanian refugee. The Rumanian has now admitted under interrogation by the Turkish National Security Service that he neither has nor has had communication with Rumania of any kind and that he fabricated the entire project to justify the monthly salary of 400 Turkish pounds paid him by Col. Edwards. He confessed further to having been trained in London by the British Secret Service during the summer of 1951.

The Air Force has been informed.

OSO officers briefed a personal representative of Admiral Fichteler on clandestine intelligence coverage of Hainan Island.

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OSO

Army G-2 representatives discussed with OSO officers the case of a Hungarian agent of CIC/Austria whose emigration to the U.S. as a DP under G-2 sponsorship has been delayed by seriously derogatory information furnished from OSO files to other Government agencies. The G-2 officers advised that exhaustive overseas investigation by Army had disproved the allegations implicit in OSO's data.

OSO reaffirmed its position that it has reported available information, without making any determinations based on it, and suggested that G-2 interview 2 additional officers involved in the case prior to presenting it to State.

After discussion with Gen. Charles E. Hart, Chief of the U.S. Military Mission in Athens, Ambassador Peurifoy has acted to minimize the damage to CIA interests in Greece which might be caused by the sudden replacement of Gen. Nikolopoulos as Director of Greek Intelligence by a successor less sympathetic to the U.S. As a result, Lt. Gen. Grigoropoulos, Chief of the Greek General Staff, has given assurance that Nikolopoulos will remain in full control of the office for 2 to 6 months during the orientation of his replacement and will in no event be removed without U.S. consent based on satisfaction with his successor. This expedient gains time for the possible accession of Gen. Papagos to power within the next few months, in which case Nikolopoulos will be retained, and in any case insures the exercise of U.S. influence in selecting an alternate replacement, if the present designee is unacceptable.

OPC

The Germans are insisting in the European defense treaty that a clause be inserted which would, in effect, mean the

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OPC CONT'D.

abolition of the Labor companies used for cover by CIA in Germany. The intent of this action is to prevent the existence of military or paramilitary organizations in Germany which are not a part of the German contribution to the European community. The European Command is very much against this clause and has asked the Dept. of the Army to urge the State Dept. to work against the inclusion of this clause in the treaty.

Training

At the request of OSI arrangements have been made for a special course in Scientific Russian for 10 persons, 3 days a week for 12 weeks at Georgetown University. All have had prior training in the Russian language.

As an initial step in the implementation of new projects announced in Staff Training Weekly activities report dated 20 Dec 1951, a conference was held between representatives of TRC and TSS to establish a division of responsibility with respect to the provision of training in basic technical fields, and to define prerequisites for an operational investigative techniques course.

Development of instruction pertaining to the collection and reporting of order of battle information has been initiated. This instruction when prepared will be given in both Staff and Quasi-Military courses.

HALFWAY-SUNBOW - Project for FE/OPC and FYZ/OSO involving the training of 16 Indonesian Nationals. The project has been extended to 15 Feb 1952 with the addition of 2 weeks of quasi-military training.

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				<u>MISC.</u>	
		Gen. Willoughby	DCI	Letter acknowledging receipt of DCI's letter of 18 Dec. and indicating Gen. Willoughby's intention to go on a Mediterranean cruise, leaving January 9. "I shall, of course, go to Spain, with a bona fide invitation of my friends there, but this should not affect the status of Barber or your agency."	
		Eastman Kodak Stores, Inc.	DCI	Notice of standard method of handling classified film sent to this company's laboratories for processing, with particular reference to written notice of classification.	DD/A

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