

1 July 1955

MEMORANDUM FOR: The Director of Central Intelligence.

SUBJECT: New whispering campaign against CIA; alleged CIA operation against Chiang Kai-shek and the Nationalist cause.

1. Thank you very much for showing me the draft of your proposed reply to Mr. Brownell's note, which is concerned with the subject above mentioned. I should like to suggest for your consideration the following additional points, something of which I would very much like to see included in your letter to Mr. Brownell.

2. Whereas I think your draft is very good indeed as far as it goes, I feel strongly that the time has now come when we no longer need to take attacks of this kind "lying down", or to confine ourselves to mere denials in replying to communications of this nature when we receive them. On the contrary, I believe that we should begin in a quiet and dignified way to go over onto the counter-attack and to start making it evident that charges of this kind cannot be lightly tossed about. We should seek to get the idea established that the repetition and "publication" of smear stories and unsubstantiated rumors attacking and discrediting this Agency and its top personnel cannot be engaged in with impunity as heretofore, and that people who place such matters on the official record (as is done every time a letter or memorandum of this kind is written and circulated) had better be a bit more careful about the reliability of their sources and the validity of their statements and charges. Accordingly, I recommend that language to the following effect be incorporated at some point in the letter, possibly at the end of the penultimate paragraph -- or preferably in substitution for this paragraph as presently written:

"I am concerned, however, at the damaging effect which tendentious reports of this kind, even though denied, have on the standing of senior Government officials. Naturally, I recognize that the report from Mr. Hoover to you was for internal Justice Department use only, but I cannot help feeling that a re-evaluation of the reliability and motives of the source is indicated since he did pass to the FBI information which is totally false."

3. The only other point is a lesser one and I do not feel particularly strongly about it. If you believe that it disrupts the flow of

DOJ Review Completed.

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your thought or possibly might be construed or interpreted as unduly self-serving, I do not urge that it be included. The proposed additional language would be a sentence to be inserted at the proper point in the second paragraph of your draft, as follows:



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FRANK C. WISNER
Deputy Director (Plans)

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TOP SECRET
Office Memorandum • UNITED STATES GOVERNMENT

TO : THE ATTORNEY GENERAL

DATE: May 25, 1955

FROM : DIRECTOR, FBI

SUBJECT:

I wanted to call to your attention information which came to the Bureau on a very confidential basis from a respected newspaper source. According to the source, there was a recent meeting of high officials of the Central Intelligence Agency at which time it was agreed to allocate five million dollars to be expended in Korea for the purpose of creating incidents which would place Chiang Kai-shek in an unfavorable light and which subsequently could be used as a basis for swaying public opinion against the Chinese Nationalists to the end that Formosa could be placed under a United Nations trusteeship. It was further pointed out by the source that it was very doubtful if Mr. Allen Dulles, Director of the Central Intelligence Agency, had any knowledge of this project which would come under Mr. Frank Wisner.

NOTE:

ER

This was hand-carried in and was not logged by you previously. Helen says it ^{was} a "sort of Eyes Only thing" so it hadn't come thru you before now.

Jerry

TOP SECRET

