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Approved For Release 2003/12/03 : CIA-RDP91-00682R000300090095-9

Security Information

JUL 28 1953

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT : Current Tactic of the Senate Permanent Subcommittee
on Investigations

25X1A

1. I am sending the following information forward to you as given by I am sure you are aware of the situation, but here it is in writing.

2. Certain staff members of the subject Subcommittee -- Flanagan, Kennedy and Adlerman -- have made recent moves portending an inquiry into world-wide illicit East-West trade, especially transit trade. The most important of these moves have been:

a. An inquiry by Flanagan at OSD for information on "illegal trade."

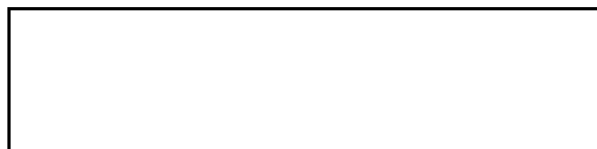
b. An inquiry by Flanagan at the Department of Commerce for "the strategic lists."

c. Inquiries by Kennedy, first at OSD and later at DMS, for information on "free ports and transit trade."

d. A request by Adlerman to DMS for access to reports in their files on shipments of copper, lead, zinc, nickel, cobalt and molybdenum from the Free World to the Bloc. (These commodities are believed to figure prominently in illicit transit trade.)

e. An interview by Adlerman on July 21, with Admiral DeLany and Kenneth Hansen of DMS. According to Hansen, Adlerman said he was investigating the International Materials Conference allocations of raw materials. He added that Senator McCarthy had told him he "would not take 'No' for an answer" but would step in personally if his staff failed.

3. At a special meeting held on July 23, by the Executive Committee of EDAC, it was decided to scoop McCarthy by an advance release to the public of information on illicit East-West trade. The text will emphasize the success of international cooperation over the past several years in improving and enforcing trade controls. Mr. Stassen will be asked to hold a press conference within a day after the release (probably August 3), and to air the entire subject.



OTTO E. GUTHE
Assistant Director
Research and Reports

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TRANSMITTAL SLIP		
28 July <small>(Date)</small>		
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REMARKS: To INSPECTOR <hr/> for info. Sh		
FROM: OAD/ma		
BUILDING	ROOM NO.	EXTENSION

FORM NO. 36-8
SEP 1946

10-65208-1 GPO

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

LS-4460

TO-		INITIALS	DATE
1	Inspector General	WPK	4 Aug
2	Legislative Liaison	WR	5 Aug
3			
4			
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FROM-		INITIALS	DATE
1	Acting AD/I		3 Aug 53
2			
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| <input type="checkbox"/> ACTION | <input type="checkbox"/> DIRECT REPLY | <input type="checkbox"/> RETURN |
| <input type="checkbox"/> COMMENT | <input type="checkbox"/> PREPARATION OF REPLY | <input type="checkbox"/> DISPATCH |
| <input type="checkbox"/> CONCURRENCE | <input type="checkbox"/> RECOMMENDATION | <input type="checkbox"/> FILE |

Remarks: