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OFFICIAL-INFORMAL

Sep 5 1951

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DATE 2001 2007

MEMORANDUM FOR: []

Office of Director of Intelligence
Office of U. S. High Commissioner for Germany
Frankfort, Germany

SUBJECT:

Reply to Memoranda HITE: 01349 and HITE: 01357
concerning letter Shute to Armstrong re JIOA
problem

1. Many thanks for sending me a copy of the Shute to Armstrong letter and Shute's covering note. Would you please pass along my thanks to Ben?

2. A few days before the receipt of these memoranda I had talked to Mr. Allen Dulles about the problem existing in Germany. I had also received a personal note from [] reporting the impact of the program in the British Zone of Germany. Mr. Dulles recommended that I not show the [] letter to anybody outside of the agency, but to pass along the information, which confirms the impression which you and I have, to anybody outside of the agency.

3. The talk which I had with Armstrong is reported in the attached memorandum to files.

4. I believe that the Army has ordered the cessation of the recruitment, for the time being at least, and I am sure that Park Armstrong will take the necessary steps to get the matter straightened out here in Washington.

5. Regarding paragraph 5 of HITE: 01349 and the actions which you are to take in HICOG, it seems to me that nothing is to be done there by you other than to keep us informed here of any further difficulties.

6. Do you see any possibility in conflict between the 63 Program and the Dragon Return program?

FOR COORDINATION WITH ^{ed} DOD

OSI:HMChadwell/mtw

Distribution:

TF Files - 1

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Encl: Memo to Files dtd 31 Aug 51

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Original 1635. Paperclip to [unclear] [unclear]

Copy sent to [unclear]

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31 August 1951

N DIV 7M

MEMORANDUM TO THE FILE

SUBJECT: Conversation with Mr. Park Armstrong, Department of State, on 22 August 1951 regarding Implementation in Germany of the JIOA Denial Program of German Scientists (Project 63)

REFERENCE: (a) Memo dated 7 Aug 51, Weber to ☐ ☐ (HITZ: 01349), with enclosed copy of letter from B.R.Shute to W. Park Armstrong dated 3 Aug 51.

(b) Letter dated 3 Aug 51, B.R.Shute to ☐ ☐

(c) Memo dated 13 Aug 51, ☐ ☐ (HITZ: 01357), transmitting Reference (b).

1. Conversation with Mr. Armstrong was solicited by AD/SI, and was also attended by Mr. A. H. Alexander, Operations/SI, and by ☐ ☐ and Mr. J. B. Koepfli of the Department of State.

2. AD/SI confirmed the information given in the Shute-Armstrong letter, emphasized his personal concern about the possibility of the denial program of German scientists blowing up into an international incident, and reporting the concern of the British and their conclusions that there were repercussions in the British Zone of Germany. This information from the British (source undisclosed), included their appraisal as, "A clumsy approach, having potentiality for sizeable political repercussions if taken up officially by the German government, and of propaganda value to the Commies."

3. Armstrong was appreciative of the information, had studied the matter, evidently looked into the situation, and said that there were several lines of action which Department of State might take. The one which he preferred was to present the dilemma to the staff level of the National Security Council for a study to be made there.

4. Koepfli pointed out that if he had been successful in recruiting a top scientist for the post of scientific attaché in Germany, this problem might not have developed, particularly if it had been brought to the attention of the Department of State early in the program. He has been unsuccessful in filling the post, and has recently sent Dr. Detlev Bronk to Germany to make a study. Dr. Bronk has returned to this country, but there has not been an opportunity for Koepfli to receive Bronk's report.

5. Mr. Alexander pointed out that if JIOA extended its activities to approaching scientists in Eastern Germany, the program might run afoul of the Dragon Return program. This possibility is minimized by the fact that the

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scientists and technicians under the latter program have been out of Germany for a period of approximately four years. The possibility can completely be obviated by the comparison of the names on the Dragon Return program and on the List 63 of the JIOA.

6. In summation, it was pointed out that next action was up to the Department of State; that intelligence had fulfilled its function of reporting the situation, and that O/SI personnel continued to be available to help in any way requested.

Mr. Armstrong was told about the recently arrived letter from Colonel Tom Betts, in which a British intelligence officer recommended that thought be given at this time to the suitable control of German science after the termination of war officially with Germany. Mr. Armstrong and Dr. Koepfli recognized that this was primarily a Department of State matter, and promised to look into it. Again, O/SI offered any assistance that was desired.

[]
Assistant Director
Scientific Intelligence

dd: Exec.Asst to DCI
[]

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HITS: 01357

OFFICIAL - INTERNAL

13 August 1951

MEMORANDUM FOR:

2430 M St., N. W.
Washington, D. C.

התאחדות

SUBJECT:

Letter - Shute to Armstrong

1. The attached letter from Ben should have accompanied HITE 01349 dated 7 August 1951. In our haste to get the correspondence out we did not check with Ben before releasing the HITE memorandum.

1 Enclosure: a/s

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OFFICE OF THE UNITED STATES HIGH COMMISSIONER FOR GERMANY

Office of Intelligence
APO 757-A, c/o Postmaster
New York, New York

August 3, 1951.

Dear []:

Enclosed is a copy of my letter of today to Park Armstrong about a situation in which you are directly interested. [] participated in the drafting of the letter and concurs in the conclusions, but any language which may seem somewhat undiplomatic should be blamed on me.

Sincerely,

A handwritten signature in cursive script, appearing to read "B. R. Shute".

B. R. Shute
Director

1 Enclosure

[]
2430 E Street, N.W.
Washington 25, D.C.

copy to []

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TF 100414

JIOA - Employment of Sub

HITE: 01349

7 August 1951

OFFICIAL - INFORMAL

MEMORANDUM TO: []

2430 E St., N. W.
Washington, D. C.

FROM: []

SUBJECT: Shute to Armstrong Letter

1. The attached copy of subject letter dealing with JIOA activities is forwarded for your information in case Mr. Armstrong calls you on the matter.

2. Our attention was first called to this situation by TF-O-00127 dated June 8, 1951 wherein it was indicated that an ad hoc group was being established by the SIC to look into the JIOA problem. At that time it was noted that Col. Brunke's letter to you of 5 June 1951 mentioned "developing procedures essential to the collection of subject (i.e. scientific) intelligence" but the letter was disregarded since such action seemed beyond the frame of reference of the ad hoc group as well as JIOA.

3. You are acquainted with Dr. William's visit and the embarrassment caused by insufficient briefing prior to his arrival.

4. During Ben Shute's last visit to the U.S. in early July, Ted Nordbeck referred to the ad hoc group and subsequently wrote Ben an account of developments. The attached letter is our reply, directed not to Nordbeck but to Park Armstrong since we felt higher authority should be alerted.

5. If further action on our part seems necessary, please advise. I presume that by now the ad hoc group has been dissolved and that the only rumblings still to be heard are from JIOA. Neither Ben nor I will be influenced by the latter except as you or Park advise.

1 Enclosure: a/s

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Office of Intelligence
APO 757-A, c/o Postmaster
New York, New York

August 3, 1951.

Dear Park:

Just before leaving Washington I had a brief talk with Ted Nordbeck about a situation which was disturbing him and I asked him to write me the details so that

[] and I could go more thoroughly into it than was possible in the few hours I had left in Washington. We have now received Ted's letter of July 20 and it seems to [] and me that the matter is of sufficient importance to warrant taking it up at this time with you and with []. Ted can brief you on the contents of his letter of July 20. This letter will be confined, first, to a summary of the events here which are relevant to the Nordbeck letter and, secondly, to a related and more serious problem which has arisen in recent weeks.

*Brunke
would say
Nordbeck*

First: On June 16 we were informed in a brief note from Mr. Clark of the SIC action in establishing an ad hoc group to look into the JIOA problem. The latter problem was interpreted to mean the denial program, since JIOA is not known to have functions in scientific matters, including intelligence, beyond that program. Attached to Mr. Clark's note was a copy of Colonel Brunke's report on the first meeting of the ad hoc group, in which appeared the notice that the ad hoc group was advising a meeting among Williams - [] "to the view of developing procedures essential to the collection of subject intelligence". That "notice" was puzzling because (a) the matter was thought to be beyond the frame

Mr. W. Park Armstrong, Jr.
Special Assistant, Intelligence
Department of State
Washington 25, D.C.

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of reference of the ad hoc group, (b) Nordstrom (chief of Scientific Research Division, Military Security Board) has no directly assigned intelligence functions and (c) the nature and scope of Williams' functions were unknown to us.

Late on 13 June and prior to the receipt of the above communication, Dr. Williams appeared, having been announced only a day or two previously by A-4280. Since his visit coincided with that of [redacted] for whom a full schedule had been arranged by [redacted], it was necessary to develop the intent of Dr. Williams' mission in brief intervals of conversation on June 14. It became clear to all of us that Dr. Williams should be talking to Nordstrom about the denial program but time did not permit getting the two gentlemen together. Because of Weber's tight schedule which included chairing the monthly S and T coordination meeting on June 15, little could be accomplished in furthering coordination of the Austrian and German scientific intelligence collection programs. Both Dr. Williams and [redacted], however, attended the coordination meeting on June 15 and participated in discussions. The invitation to Dr. Williams to attend or send a representative to the monthly S and T meetings in Germany was repeated, although since the invitation was first extended in January 1951 only twice have USFA representatives attended. Dr. Williams' visit was as unsatisfactory for him as it was to us because of the inadequacy of arrangements made prior to his arrival. From comments he made before leaving and from indications in paragraph three of Ted's letter, it appears, however, that he felt the scientific intelligence picture in Germany was largely under control. He had little opportunity to develop an impression of the German side of the denial program since he spent his time entirely with intelligence officials.

Second: With respect to the denial program in Germany, a serious situation has recently required remedial action here (see Frankfurt 10457). Possibly because of a general lack of understanding of the political implications of large-scale evacuation of German scientists at this time (as illustrated by A-205), a potentially explosive atmosphere was created by the energetic efforts of JIOA representatives to recruit German scientists to go to America under

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Project 63 (ex-Paperclip). We managed to call together representatives of the interested agencies to formulate a plan of action and have been successful in achieving a temporarily stable situation by suspending recruitment (involving the return to Washington of recruiters operating on JIOA orders) and attempting to work out a mechanism for coordination of future efforts. So far we have forestalled official protests from the German Government which were imminent, as indeed was a British protest, and the notice taken of the proposed recruitment in the Soviet Zone press so far has been minor. (Concurrently HICOG has recommended rapid action on framing up overall scientific activities in Germany which it is understood will shortly be performed by Dr. Bronk.) The division of responsibility for the denial program between Nordstrom and EUCOM, as the result of "free wheeling" by JIOA, appears to be the immediate reason for the woeful state of that program. The underlying cause of the ineffective and dangerously inept handling of the program, however, seems quite clearly to have been the lack of understanding in Washington, particularly in JIOA, of the impact of the program on Germany in 1951, not in 1946.

It seems clear from what I have said that no great confidence can be placed by us in JIOA, and nor do I see how we can assume either authority or competence on their part to coordinate intelligence activities. The intelligence coordination responsibility in Germany is in our hands until General Truscott takes it over, and in the scientific field that responsibility is discharged by ☐ ☐ (now under me, subsequently under Truscott). To suggest that JIOA can "propose a plan for assuring scientific intelligence rendition" or even prepare "a letter of orientation and instruction" suggests a lack of basic understanding of both its jurisdiction and its ability.

The Department should, in my opinion, make clear to JIOA that Nordstrom's and ☐ ☐ actions are controlled by the Department and not by that agency.

I appreciate greatly that Nordbeck informed me of events there and apologize for this lengthy and heated outburst (but not for its substance).

Sincerely yours,

B. R. Shute
Director

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