

29 August 1947

SUBJECT: Weekly letter, Berlin Operations Base.

TO : Chief of Station.

1. The principal item of interest affecting the intelligence field during the past week has been a minor furore arising out of the journalistic zeal of Marguerite Higgins, New York Herald Tribune correspondent. Miss Higgins, you may recall, recently published a flashy but rather naive article describing a conversation with two so-called Russian "spies". Her latest coup has been the discovery, through an unidentified source, of a somewhat irregular incident involving the evacuation of an alleged Russian citizen by the American authorities from Berlin to the United States Zone. The story is rather complicated and confused, obscured by a subsequent series of buck-passing moves between officials of OMG, Berlin Sector, CIC, and the Adjutant General's Office of OMGUS. In the opinion of CIC and ourselves, there is no particular news value to this story, especially since the evacuee in question has good claim to German rather than Russian citizenship, and since he is not apparently guilty of anything worse than being a competent bacteriologist, wanted by the Russians. However, word of the impending article by Miss Higgins reached General Gailey, Chief of Staff, OMGUS, and General Walsh, Director of Intelligence, EUCOM, who promptly became greatly worried over possible scandal. As a result, General Gailey ordered the Adjutant General's Office to lay all cases of travel orders for German civilians on his desk. Some 25 such orders were placed before him on the first day, and, finding himself distracted by the visit of General Bradley, General Gailey turned them back to Colonel Arrowsmith, Deputy Chief of the Civilian Personnel Branch. Four of the requests for orders had come from us, and one at least was very urgent. Accordingly, I took the matter up with General Walsh and explained that it was necessary for us to reach an agreement on procedure which would enable us to continue our present satisfactory method of obtaining travel orders for German civilians. General Walsh said that the principal concern of General Gailey was with permanent evacuations, rather than with temporary duty orders involving return to Berlin. Since all four of the current cases were in the latter category, General Walsh was able to secure a release from General Gailey and the requests were duly approved by Colonel Arrowsmith.

On the broader question of our right to obtain orders of all types for German civilians, General Walsh advised us to lie low for the time being, until the current flap has subsided. As a matter of general policy, he proposed that certain types of clearance should be granted in principle from General Gailey through General Walsh to us. We would be responsible for preserving exact records of all movements, which we would be prepared to justify in detail if

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required. Specifically, General Walsh seems to be alarmed over the possibility that the Russians may present a list of Berlin evacuations at the Council of Foreign Ministers meeting. Such a list would presumably be referred back to General Clay, and through him to General Walsh for explanation and justification. It would then be necessary for him to call upon us for such information as was necessary to back up the American delegation at the Council of Foreign Ministers. I stated that we would, of course, be prepared to accept that responsibility and to make any explanations which were required by competent authority. However, we were reluctant to present either him or the Chief of Staff with requests in writing giving the names of persons involved and the justification, since this would obviously be incompatible with clandestine intelligence operations. The entire matter will be discussed next week with General Wright and we hope to obtain a satisfactory agreement with Military Government, if necessary laying the matter before General Clay himself. In the meantime I believe we can continue to procure approval for all cases involving permanent evacuation, simply by taking the matter up direct with Colonel Arrowsmith.

We are extremely anxious to preserve our present streamlined procedure within the Adjutant General's Office, which involves only one American officer and one American clerk, and keeps the entire matter out of German hands. We have been particularly fortunate in securing from this American officer the privilege of removing from the A.G. files all copies of agent orders issued at our request. He is quite willing to continue the present system, and the only complicating factor is the need of clearing through Colonel Arrowsmith. The latter, however, has long been acquainted with our organization and seems willing to cooperate, as long as he has the assurance that we will take the responsibility for our requests in case they backfire from General Gailey. I do not think that the concern over the Higgins article will last very long, especially since there is no indication to date that it will actually be published.

2. As you are aware, for some time there has been a sparring game going on between CIC Region VIII and S-2, Berlin Command. S-2 has attempted sporadically over the past year or even two years to assert some sort of coordinating authority over clandestine operations in Berlin. While they have recognized that the effort was hopeless, so far as we are concerned, they have never given up the effort to bring CIC under control. Lt. Col. Wilson, S-2, appears now to be on the point of achieving at least a paper victory over CIC. He is preparing the draft of an order for General Walsh's approval which would detach Region VIII, CIC from the 970th Division, EUCOM, and bring it under S-2 for operational supervision. The significance of this move is not, however, very great. Colonel Wilson himself admits that it will not bring about any real change in the current practice, by which CIC carries out its own operations in the counterespionage, counter-subversive, and Communist penetration

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field. CIC will continue to have its own line of communications to Frankfurt and will submit its own reports. Major Stewart, head of CIC, takes a rather detached attitude toward the whole matter. This may be prompted by the fact that he is returning to the States in December to enter the Strategic Intelligence course for Army officers. Major Stewart has been in command of CIC for two years in Berlin and his record entitles him to respect as an intelligence officer. We presume he will broaden his background to include positive intelligence and may at some future date be one of the Army officers assigned to CIG. We will notify Washington at the time of his return and urge that he be interviewed by members of our organization.

3. At various times in the past we have raised the question of sponsoring the prosecution of an espionage trial in Berlin. This matter was discussed orally with you in the case of Anton Hamm and it was agreed that that case was not suitable for our purposes. Subsequently we have learned that the Legal Division of OMGUS is greatly interested in producing a sound espionage case for trial in order to establish a precedent and to provide a deterrent. We are not yet in a position to provide a guinea pig for this purpose. However, as an experiment we are canvassing the possibility of trying our former SC agent (Canna) on the charge of making a false statement to American officials. Legal Division guarantees appropriate safeguards. The details of this project will be presented in an SC report as soon as the matter has been sufficiently investigated with the Legal Division. We raise the point now with the thought that you may wish to survey your Amzon field to provide a case which could be tried for outright espionage. No action will be taken at this end, of course, without consulting your headquarters and Washington.

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4. Once more we are making a determined effort to eliminate points of insecurity in our physical setup. As you are aware, we have changed the licenses on all our civilian plate vehicles, bringing them out of the 16500 series. The bulk of the new numbers are, unfortunately, in the 26500 bracket, but they are not in series and they are completely mixed in with ordinary civilian vehicles, not our own. [redacted] has made a searching study of the problem of telephone security, with the result that we are dropping all the six digit number civilian lines leading into this building which were formerly used for agent communication. Our agent phones will be switched to the military five digit numbers, which are much more difficult to trace to our building, since the card records are kept by American personnel in the Signal Corps office. In addition, we are exploring the possibility of channeling all our agent calls into a cover phone in the ODI building, which would be physically connected by our own communications personnel, with phone extensions in our own building. In this way it would be impossible for an agent given our number, to trace our address. We are also planning to seal

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off the office floors of our building from the basement where our German personnel work. Although this will involve considerable inconvenience to our staff, especially to the administrative personnel, it should remove a possible source of insecurity.

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CHAUNCEY'R. PURDY

CRP/wmc

1st Ind.

TO : FBM.

Forwarded.

[Redacted]

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MATTHEW L. CARSON

Dist: 2 - COS
" - FBM
1 - Reg
1 - File

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