76. Chief, FBI to COS, Karlsruhe, "Operation Rusty," 28 December 1948, enclosing

SECRET/RELEASE
TO GERMANY ONLY
OFFICIAL DISPATCH

VIA: AIR FORCE
SPECIFY AIR OR SEA FLY
DISPATCH NO.

TO:
Chief of Station, Karlsruhe

FROM:
Chief of Foreign Section M

DATE:
28 December 1948

SUBJECT:
GENERAL
SPECIFIC:
Operation Rusty

REFERENCE:

As a follow-up to reference memorandum, we are forwarding
herewith, for your personal information only, a copy of a memo-
randum which the Director wrote to General Hall. This will bring
your file up to date.

Attachment (2 pages)

Richard Helms

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Secret
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22 December 1945

MEMORANDUM FOR: Major General William E. Hall, USAF

SUBJECT: Operation RUSTY

1. As a result of the discussions we had this afternoon, I am putting in writing the points agreed upon, in principle, between us concerning Operation RUSTY:

a. That the National Security Council be informed concerning Operation RUSTY.

b. That the National Security Council direct that the Central Intelligence Agency "take over" Operation RUSTY as to financial support, operational and administrative direction, etc., but that simultaneously the National Security Council further direct that the Central Intelligence Agency be given the same logistical support in Germany which the Army, the Air Force and other American agencies have been according the Operation to date.

c. That the Central Intelligence Agency finance Operation RUSTY on an annual budget not to exceed $ in principle.

d. That it is understood by all interested agencies that, although the Central Intelligence Agency will run Operation RUSTY for the benefit of all U. S. occupation forces, it will have complete authority and control to handle the Operation.

e. That the Central Intelligence Agency be given a minimum period during which the current managers would continue on duty, but under control of Central Intelligence Agency representatives assigned to the project.

2. I am forwarding a copy of this memorandum to Major General S. LeRoy Irwin.

R. H. Milenkowitz
Rear Admiral, USN
Director of Central Intelligence

Distribution:
Cy #1 - Gen Hall
Cy #2 - Gen Irwin
Cy #3 & #4 - ADSC
Cy #5 - Deputy Director
Cy #6 - Director