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By SPNARA Date 06/03/02

49. Brig. Gen. E.K. Wright, Memorandum for the Record, 20 June 1947

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~~SECRET/RELEASE~~ 20 June 1947  
~~TO GERMANY ONLY~~  
MEMORANDUM FOR RECORD:

DOCUMENT NO. \_\_\_\_\_  
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CLASS. CHANGED TO: TS S   
NEXT REVIEW DATE: \_\_\_\_\_  
AUTH: HR 70-2  
DATE: 10/9/91 REVIEWER:

As agreed at an earlier date, a Conference was held in Admiral Hillenkoetter's office at 2:00 PM, 19 June 1947, between Admiral Hillenkoetter, General Chamberlin, General Wright and Colonel Laurin Williams. This Conference had to do with the decision regarding the continuation of Operation RUSTY. General Chamberlin had previously been briefed in a general way on this Operation by Colonel Galloway and Mr. Brossard. Colonel Williams had previous knowledge of the Operation as a result of his attendance at a conference held in New York 19 December 1946 as a preliminary conference to discuss what connection OIG should have with the Operation. Present at that conference in New York were: Mr. Allen Dulles, Mr. William Jackson, General Eibert, General Wright, Colonel Galloway, Col. Laurin Williams, Mr. Samuel B. Brossard, Mr. Richard Helms, and Lt. Col. Jack Dean. The latter officer is the officer most directly concerned in the technical operation of Operation RUSTY.

At this Conference held on the 19th of June, Admiral Hillenkoetter indicated that OIG would have no connection whatsoever with Operation RUSTY unless such connection had been agreed to by the NIA. General Chamberlin indicated that he would prefer the matter not be presented to the NIA and further observed that he did not intend to inform the Secretary of War regarding the Operation.

General Chamberlin then stated that he would like to study further the reports of the Operation as he felt it might be desirable to allow it to continue for some period of time. He indicated that General Walsh, the G-2 of EUCOM, would be present in this country in a few days and he would discuss the matter further with him at that time. General Chamberlin stated that he was prepared to use the funds still available for the continuation of the  operation for an additional year  which, of course, would be available now since it had been determined definitely not to continue the  operation; that these funds plus any German marks available to General Clay should be sufficient to continue Operation RUSTY for a considerable period of time. He stated that under no circumstances would he indicate an interest by or any connection with the War Department and Operation RUSTY; further, that he would only permit the continuation of the Operation if it were rigidly controlled by American Authorities and utilized only in the occupation zone and outlet directly to the East; that the use of the net in

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connection with any activities in the Scandinavian countries, in the Middle East, or in any other area other than that noted above, would not be tolerated. General Chamberlin said that he would greatly appreciate submission by us of a list of controls that we thought he should use in connection with the continuation of Operation RUSTY. We agreed to provide him with such a list. We further agreed to turn over to General Chamberlin, only a copy of the original report on RUSTY prepared by G-2 USFEE and a copy of the report prepared by Mr. Brossard of this organization. At this point, Admiral Hillenkoetter said that the continuation of Operation RUSTY was, of course, a matter to be decided by General Chamberlin. However, he felt that he should tell General Chamberlin that GIG believed the continuation of the Operation was extremely dangerous from both the political and the future strategic viewpoint; that the personnel engaged in Operation RUSTY were, in addition to being a strongly knit and efficient intelligence agency, a potential resistance group of real power; that continuation of the Operation in effect might well be the re-establishment of the German General Staff and a German Intelligence System.

General Chamberlin agreed that this might be so and would be considered in connection with his further study of the reports we were to turn over to him:

Additional item discussed following the Conference above:

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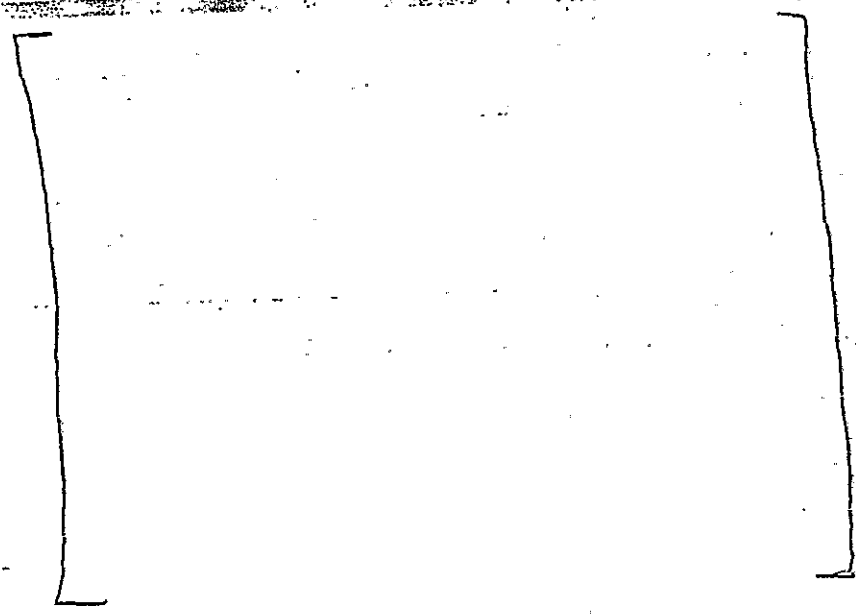
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E. W. WRIGHT  
Brigadier General, USA  
Deputy Director

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