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78. Helms, Memorandum for the Files, "Operation Rusty," 1 February 1949

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TO GERMANY ONLY~~

COPS AND ADSO:

If this confirms your recollection of the main points covered at the meeting this morning, would you please be good enough to initial this memorandum so that it can be made a part of the Rusty file.

[ ]  
[ ]  
K. H.

On page 1, next to last sentence  
"In this connection etc."  
I interpret the clause "only  
after CIA was administratively  
set up to handle it" as  
"only after CIA is provided the  
administrative facilities necessary  
to support it" [ ]

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1 February 1949

MEMORANDUM FOR THE FILES

SUBJECT: Operation Rusty

This morning a meeting was held in General Wright's office attended by the General, Captain McCracken, [ ] and the undersigned. The meeting was called so that General Wright could relay to OSO the developments in the Rusty case since the meeting with General Hall in Admiral Hillenkoetter's office the week prior to Christmas.

There follows a synopsis of General Wright's remarks at this meeting: The Department of the Army had been most reluctant to refer Rusty to the National Security Council as requested by Admiral Hillenkoetter. After a conversation with General Bradley, during which the General expressed himself conclusively that Rusty should be turned over to CIA, General Irwin discussed the matter further with Admiral Hillenkoetter and it was agreed that the Admiral would take the question up personally with each member of the National Security Council rather than having it brought before a regularly convened meeting of the Council. This Admiral Hillenkoetter has done although as of this date he has not had an opportunity to discuss the problem with Secretary Acheson. In addition, General Bradley discussed the Rusty question with Secretary Forrestal, at which time the latter took the same position that Rusty should be handled by CIA. On the same day that General Bradley and Mr. Forrestal were discussing this matter, the Department of the Army received a cable from General Clay in which the General stated flatly that he would not have any other agency running an operation such as Rusty in his Theater. When this was reported to General Bradley by General Irwin, General Bradley took the position that he still wanted Rusty turned over to CIA and that he would write a personal letter to General Clay to that effect. Under the circumstances, it was felt that within the predictable future Rusty would be turned over to CIA. (In this connection, it should be noted that General Wright requested that General Bradley add a sentence to his letter to General Clay stating that CIA would take over operational control of Rusty only after CIA was administratively set up to handle it.) In the course of these negotiations it developed that General Hall, who was originally firmly in favor of having CIA assume control of Rusty, changed his view radically after he had discussed the matter with General

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Clay upon his (Hall's) return to Germany in January.

The remainder of the meeting was turned over to a discussion of various aspects of Rusty and what the takeover would mean. General Wright concluded by saying that in his opinion there was no question but that CIA would get Rusty and that OSO planning on that topic should go forward with that aim in mind. Throughout the discussion, General Wright emphasized that both he and the Admiral on all occasions had pointed out to the Department of the Army and other officials that CIA was not asking to take over Rusty and was expressing a willingness to do so only because the Army was requesting it.

[ ]  
Richard Helms

[ ]  
UCro

ADSG

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*draft of a*  
In this connection the G-2 letter to be sent by Gen Bradley to Gen Clay was submitted to the Director and was considered by both the Director and General Waight. It was requested that a sentence be added to the proposed letter which was stated generally as follows:

"CIA will assume operational control of "RVSTY" only after that Agency has activated the administrative belts to incorporate "RVSTY" into the CIA world-wide organization."

*Initiated by Gen. Tinselt  
in desk file*

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