

1 July 1955

The Honorable Herbert Brownell
Attorney General
Department of Justice
Washington 25, D. C.

Dear Herb:

I appreciate it that you brought to my attention a report which the Federal Bureau of Investigation received from a newspaper source and passed to you respecting an alleged recent meeting of high officials of the CIA. This report indicated that at this meeting CIA "agreed to allocate five million dollars to be expended in Korea for the purpose of creating incidents which would place Chiang Kai-shek in an unfavorable light and which subsequently could be used as a basis for swaying public opinion against the Chinese Nationalists to the end that Formosa could be placed under a United Nations trusteeship." The report further indicated that the source of this information considered "that it was very doubtful if Mr. Allen Dulles, Director of the Central Intelligence Agency, had any knowledge of this project which would come under Mr. Frank Wisner."

There is no basis whatever for this fantastic report. This Agency is following our national policy with regard to the support of Chiang Kai-shek and is not a party to any maneuver of any nature which would tend to weaken his cause or that of the Chinese Nationalists.

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[redacted]
[redacted] Of course no such funds could be committed by the Agency without my personal knowledge and approval.

A similar report was brought to my attention some weeks ago by a distinguished Senator, and I gave him a similar statement as to its complete inaccuracy.

TOP SECRET #103818
Copy #4

TOP SECRET

E. R.

TOP SECRET

We believe we know where this false report originated and consider it likely that it is being relayed to certain newspaper-men, including the FBI informer, in the hope that it will eventually be published.

I am enclosing an extra copy of this letter in case you should wish to pass it on to Mr. J. Edgar Hoover.

Sincerely yours,

SIGNED

Allen W. Dulles
Director

AWD:hea

Distribution:

- # 1 2 — Orig & 1 cc - ~~200~~ Addressee
- # 3 1 cc - DCI
- # 4 ER - 1 cc ✓

-2-

TOP SECRET

DRAFT

30 June 1955

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The Honorable Herbert Brownell
Attorney General
Department of Justice
Washington 25, D. C.

Dear Herb:

I ^(T hat) ~~sincerely~~ appreciate your ~~having~~ brought to my attention
a report which the Federal Bureau of Investigation ~~had~~ received
from a newspaper source ^{and passed to you} respecting an alleged recent meeting of
high officials of the CIA. The ~~report you received~~ indicated that at
this meeting CIA "agreed to allocate five million dollars to be expended
in Korea for the purpose of creating incidents which would place
Chiang Kai-shek in an unfavorable light and which subsequently
could be used as a basis for swaying public opinion against the
Chinese Nationalists to the end that Formosa could be placed under
a United Nations trusteeship." The report further indicated that the
source of this information considered "that it was very doubtful if
Mr. Allen Dulles, Director of the Central Intelligence Agency, had
any knowledge of this project which would come under Mr. Frank
Wisner."

~~For the record I wish to assure you that~~ There is no basis
whatever for ~~the above~~ report. This Agency is following our national
policy with regard to the support of Chiang Kai-shek and is not a party

This fantastic

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as removed

to any maneuver of any nature which would tend to weaken his cause or that of the Chinese Nationalists. Of course no funds ^{such could} can be committed by the Agency without my knowledge and approval. ^{personal}

A similar report was brought to my attention some weeks ago by a distinguished Senator, and I gave him a similar statement as to its complete inaccuracy.

I am generally aware of the ^{origins of this} source from which these reports ~~stem~~, and believe I understand the reasons ^{for} motivation the spreading of ^{such} false information.

I am enclosing an extra copy of this letter in case you should wish to pass it on to Mr. J. Edgar Hoover.

Sincerely yours,

including the FBI informants

Allen W. Dulles
Director

believe we

We know where this false report originated and ~~probably~~ believe it is being relayed to certain news paper men in the hope that it will be published eventually