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DEPARTMENT OF DEFENSE
ARMED FORCES SECURITY AGENCY
WASHINGTON 25, D. C.

IN REPLY REFER TO

10 November 1950

Major William P. Bundy,
Union Trust Building,
Washington, D. C.

Dear Bill:

I enjoyed seeing you last evening and in renewing friendship.

As to the matter we discussed briefly, my interest in it is not a purely personal one but one that arises from a conviction that authentic history is vital for official records.

The attached extract is of interest in connection with the early history of certain U. S. activities and it would be useful to obtain an authentic version of the factors that led to the alleged banishing of the operations referred to in the attached account and also in Yardley's The American Black Chamber.

Both of these references agree in attributing the closing of the so-called Black Chamber to Mr. Stimson. However, some years ago (about 1932-3) I was told quite definitely by Yardley himself that he had been in error in attributing the action to Stimson and that he had learned that it was actually President Hoover who insisted upon the termination.

Since your brother collaborated with Mr. Stimson in writing "On Active Service in Peace and War," which by the way is a very fine biography and which I read with deep interest, it occurred to me that he might have some background to add to the statement as to the closing of the section run by Yardley.

If you could without inconvenience consult with your brother on the question I raise in the 4th paragraph of this letter, or if you, as a concomitant of your personal acquaintance, perhaps friendship, with Mr. Stimson, could throw some light on the subject I would appreciate your assistance.

I hasten to assure you that any information you can supply will be treated as confidential, for official use only in connection with our own history of operations.

With my thanks in anticipation of an interesting reply, and with cordial greetings, I am,

Sincerely yours,

William F. Friedman
Technical Consultant

P.S. Your office is close by the Cosmos Club. I hope you will join me there for lunch some day soon.

Declassified and approved for release by NSA on 06-13-2012 pursuant to E.O. 13526

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19 March 1951

MEMORANDUM FOR CAPTAIN DYER

1. I am forwarding to you for inclusion in the files of the AFSA Technical Library a brief historical note on the closing of the "Black Chamber", the files of which, I understand, are now in your custody.

2. I have also sent a copy of this note to the Historical Section of the Army Security Agency (CSGAS-22A) for inclusion in the official ASA historical files. In sending the material to that section, I stated that I would prefer that the correspondence with Mr. William P. Bundy and the reply from his brother, Mr. McGeorge Bundy, not be used in any way except as an inclosure to the official history. I am sure that you will agree that, at least for some years, no reference to the correspondence or our interest in it should come to the attention of the wider public, even in a restricted publication like that of the ASA Review.

William F. Friedman

WILLIAM F. FRIEDMAN
Technical Consultant

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quelling a military revolt against its authority. We have re-established the sensible practice of our forefathers as to the recognition of new governments in conformity with their rights to regulate their own internal affairs, and, in view of the economic depression and the consequent need for prompt measures of financial stabilization, have accorded to them recognition under this policy with as little delay as possible in order to give them the quickest possible opportunities for recovering their economic poise. We have co-operated with the Latin American states in their efforts to restore peace among their numbers in the Chaco and on the Amazon. We have completed the settlement of Tacna-Arica. And in social and intellectual ways we have endeavored to establish the nations of Latin America as our associates and our friends in intellectual and commercial intercourse. Mr. Hoover, as President-elect, visited them in a journey through South America for the very purpose of dissipating the fears and antagonisms which had grown up amongst some of them as to the intentions and policies of this Government. Subsequently, we have entertained as national guests the Presidents-elect of Mexico, Brazil, and Colombia. We have enlisted our great institutions in the undertaking of systematic intellectual exchange with them; and together with them the United States has become officially represented in many world conferences upon scientific and welfare advancement. These acts have all been designed to impress them, as well as the other nations of the world, that the United States is aiming for progress by the creation of good will and human advancement, and not by exploitation."

The London Treaty and Latin American policy were typical constructive undertakings of the sort that Stimson had anticipated when he left Manila in March, 1929. Taken together, they represented a substantial achievement for his first two years. But these two years are separated by the two that followed as light is separated from darkness, and we shall do well to stop here for a last look at the situation of the world as it appeared from the State Department between 1929 and 1931.

DOCID: 3978470

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Nov. 15, 1950

Dear Bill:

The answer is that Colonel Stimson himself ordered the dismantling of the Black Chamber; he may have done so after consulting Mr. Hoover, but the initiative was his, and he has always been proud of it. I think this can probably be documented from the Diary, but I am not sure -- it may well ----- No, now that I think of it, it was done before he began to keep a daily diary at State, and I don't think we can prove it from that. But somewhere I think I have the stenographic record of a conversation we had in 1946, in which he told me how shocked he was to learn from Joe Cotton that such a thing was going on, and how they both agreed, at once, that it must stop. There certainly was no question in his own mind that it was he who stopped it. Behind that I have never gone, because it was one of those cases in which his own recollection was quite persuasive to me.

For obvious reasons, this decision was one that I undertook to argue with the Colonel, more than once, pointing out that these activities had their value later, and that he had himself taken great interest in them. He answered that what you do in war and what you do in peace are two entirely different things, and that the whole effort of 1929 was to live on the basis of mutual trust and honor. I of course tried to push him into a corner with the point that 1940-41 was technically a time of peace, but he would not be persuaded. The most he would say was that if such things had to be done, and I think he reluctantly agreed that they did, even in peace, as he say it in 1946, they should not be done in the State Department. This I would now say was a typical example of the way in which most of us have tried to separate the arts of peace from those of national security, and I don't myself find it very persuasive, but that's the way he saw it, and you are quite right in quoting his typical phrase about reading other people's mail; he always came back to that.

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A HISTORICAL NOTE ON THE CLOSING OF THE "BLACK CHAMBER"

For many years there has been doubt as to who was really responsible for closing the "Black Chamber" -- the World War I cryptologic bureau of the War Department.[1] Thus, in "A brief history of the Signal Intelligence Service", prepared by me in 1942, there appears the following footnote:

> "(1) A number of years later (1941) Yardley told me that he had been misinformed as to Mr. Stimson's attitude and that it was really the President (Mr. Hoover) who 'killed' the bureau, not Mr. Stimson. There may be some grounds for believing this, and it would be interesting to know the truth."

In Volume III of "The historical background of the Signal Security Agency", prepared in April 1946, there appears the following footnote, based in part upon the previous reference:

> "11. Later, Yardley told Mr. Friedman that the fundamental objection to the policy of MI-8 arose from the attitude of President Hoover, rather than from that of Secretary Stimson. The real reason, therefore, remains obscure. It should be pointed out that the strong attitude shown by Secretary Stimson at the time of the first Japanese aggression against China in 1932 supports the view that Mr. Stimson himself may have been less opposed to such activity than his decision no longer to support MI-8 would seem to indicate. In view of the fact that ten years later Mr. Stimson, in his capacity of Secretary of War, was daily the recipient of the product of the cryptanalytic activities of the SSA, it would be of great interest to know the truth in this connection. As Secretary of War, his enthusiastic support of these activities was never lacking."

No doubt there are one or two other places in the ASA history which deal with this same point.

The recent publication of Mr. Stimson's memoirs, "On Active Service in Peace and War" (New York, Harper Brothers, 1949), throws considerable light on the matter. This book, which was written with the collaboration of Mr. McGeorge Bundy, has fixed quite definitely the responsibility for the closing of the "Black Chamber" on Mr. Stimson. Mr. Bundy (or can it be Mr. Stimson referring to himself in the third person?) remarks on the

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[1] The bureau was officially designated "MI-8", one of the branches of G-2. It was supported jointly by the War Department and the Department of State, the major portion being provided by the latter.

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These were the last two years of Stimson's life in which he was able to think of peace as reasonably well assured, and international good will as something more than a brave hope. In later years he remained a believer in the ideal of peace and the objective of good will, but after 1931 he faced, with all other men of good will, the lengthening shadow of rising lawlessness among the nations. Even in 1931 the great depression had begun to overturn governments and rekindle ancient grievances, but in the early months of that year it still seemed possible that the postwar settlement might not be seriously shaken.

These two years were years of peace and trust, and Stimson adopted as his guide in foreign policy a principle he always tried to follow in personal relations—the principle that the way to make men trustworthy is to trust them. In this spirit he made one decision for which he was later severely criticized: he closed down the so-called Black Chamber—the State Department's code-cracking office. This act he never regretted. In later years he was to permit and indeed encourage similar labors in another Department, but in later years the situation was different. In 1929 the world was striving with good will for lasting peace, and in this effort all the nations were parties. Stimson, as Secretary of State, was dealing as a gentleman with the gentlemen sent as ambassadors and ministers from friendly nations, and, as he later said, 'Gentlemen do not read each other's mail.'

In a similar spirit, the spirit of peacemaking and mutual good will, Stimson had made one other move which brought him some criticism. In the summer of 1929 a serious issue arose between China and Soviet Russia over their conflicting interests and rights in North Manchuria. In the course of this dispute the Russians sent troops into Chinese territory, and for a time there seemed to be danger of either war or annexation. Stimson, undismayed by the fact that the United States had no diplomatic relations with Soviet Russia, took the lead in organizing an international *démarche* invoking the Kellogg-Briand Pact and pleading with both nations to avoid a breach of the pact, and of the peace. This *démarche* greatly annoyed the Russians, whose self-righteousness in foreign affairs makes

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COVINGTON, BURLING, RUBLEE, O'BRIAN & SHORB

UNION TRUST BUILDING

[17 Nov 50]

WASHINGTON 5, D. C.

Dear Mr. Friedman: —

Herewith Mac's answer. I think you will find it quite definite, and I hope illuminating as to the 1929 facts.

The Colonel's 1940 attitude is an extremely interesting one: I certainly would have the same reservations as Mac about its validity, and I suspect the Colonel's view would be different were he now in Acheson's or Marshall's shoes. Since the Colonel never made any secret of his feeling, I am sure there would be no objection to your discussing it, but I assume it is a little outside the scope of your history.

This has been interesting to pursue.

It was excellent to see you and I hope to do so soon again.

Sincerely Yours,

Bill Bundy

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"curious irony" in the fact that Mr. Stimson in 1940 was so largely dependent upon the development of the very operation which he had banished from the State Department in 1929. The pertinent passages are:

> "These two years were years of peace and trust, and Stimson adopted as his guide in foreign policy a principle he always tried to follow in personal relations -- the principle that the way to make men trustworthy is to trust them. In this spirit he made one decision for which he was later severely criticized: he closed down the so-called Black Chamber -- the State Department's code-cracking office. This act he never regretted. In later years he was to permit and indeed encourage similar labors in another Department, but in later years the situation was different. In 1929 the world was striving with good will for lasting peace, and in this effort all the nations were parties. Stimson, as Secretary of State, was dealing as a gentleman with the gentlemen sent as ambassadors and ministers from friendly nations, and, as he later said, 'Gentlemen do not read each other's mail.'" -- p. 188.
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> "Another section of the War Department to which his personal attention was frequently directed was Military Intelligence. By a curious irony, the matter of principal importance here was the development of the very operation of attacking foreign codes and ciphers which Stimson had banished from the State Department in 1929. In 1940 and after, the world was no longer in a condition to be able to act on the principle of mutual trust which had guided him as Secretary of State, and as Secretary of War he fully supported the extraordinary operations that were later revealed to have broken the Japanese codes." -- pp. 454-455.

Thinking that Mr. McGeorge Bundy might have some background to add to his statement as to the closing of the Black Chamber, I addressed a letter to Mr. William P. Bundy, the brother of the co-author and a friend of mine from World War II days, asking if he could without inconvenience consult his brother on this question. Photostatic copies of my letter to Mr. William P. Bundy and of his reply are attached.

These extracts and the letter from Mr. Bundy quite definitely eliminate any question as to who ordered the discontinuance of cryptanalytic activities supported by Department of State funds. However, this did not mean the death of all cryptanalytic activities in the U.S. -- for M.I.-8 remained in existence and the activities simply had to get along with such support as the War Department could provide, without assistance from any other department. It managed to do so.

WILLIAM F. FRIEDMAN

DOCID: 3978470

that of all other nations seem mild indeed, but it was notable that their troops were quickly withdrawn and a peaceful settlement was reached. The Kellogg-Briand Pact and Stimson's initiative may have had very little to do with this gratifying result, but the fact that the peace was kept seemed encouraging at the time. It was the first invocation of the pact, and from its apparent success believers in the new order of peace took courage.

It was only in 1931 that the weakness of the economic and political underpinnings of the postwar peace began to make itself apparent. Almost overnight, in May, 1931, the whole tenor of the State Department's work and of Stimson's own activities was radically changed.

DOCID: 3978470

In other cases, the activities of the Secretary were the result of some nonmilitary aspect of the matter. The appointment of a Surgeon General, or a Chief of Chaplains, for example, involved a decision in the Secretary's office because, especially in wartime, these offices attracted the close interest and attention of civilian doctors and clergymen, who felt that the normal methods of military selection could not be counted on to produce men with the desired standing as professionals. The Medical Department, furthermore, was a matter of special interest to Stimson on account of his personal experience in the tropics, and particularly after the appointment of Major General Norman T. Kirk, whom he had first known in the Philippines, he took an active part in supporting its labors.

Another department to which Stimson's attention was given, in accordance with the requirements of the law, was that of the Judge Advocate General. As wartime pressure increased, he was gradually released by new statutes from much of the labor of reviewing court-martial records, but throughout his years in the War Department he was forced from time to time to give his close attention to specific cases, particularly those involving the death sentence. In spite of the strong tendency of a humane reviewing authority to exercise leniency, Stimson fully understood the close relationship between military justice and military discipline; it was not easy, for example, to approve the dismissal of proved combat fliers who, returning from battle, insisted on disregarding the safety regulations of the continental United States, but he cheerfully accepted General Marshall's recommendation that mercy should be subordinated to justice—and the public safety.

Another section of the War Department to which his personal attention was frequently directed was Military Intelligence. By a curious irony, the matter of principal importance here was the development of the very operation of attacking foreign codes and ciphers which Stimson had banished from the State Department in 1929. In 1940 and after, the world was no longer in a condition to be able to act on the principle of mutual trust which had guided him as Secretary of State, and as Secretary of War he fully supported the extraordinary operations that were later revealed to have broken the Japa-

DOCID: 3978470

nese codes. In early 1942, with McCloy's assistance, he established a special unit for the analysis and interpretation of this sort of material. This unit, under the direction of Alfred McCormack, a New York lawyer turned colonel, did its work with remarkable insight and skill. As investigation of the Pearl Harbor catastrophe later revealed, such a unit, if it had existed in 1941, might well have given warning of the degree of Japanese interest in the fleet at Hawaii. It was not Pearl Harbor, however, but the natural development of studies begun months before that led to the establishment of the unit, and if it came into existence too late to help in the prevention of that calamity, it made invaluable contributions in other matters of at least comparable significance during the war.

Stimson also did what he could to insure the effective exchange of military information among different branches of the Government and with America's allies, particularly the British. He backed General Marshall's efforts to break down American resistance to co-operation with the British, and he was insistent that no impatience with its occasional eccentricities should deprive the Army of the benefits of co-operation with General Donovan's Office of Strategic Services. Throughout the war the intelligence activities of the United States Government remained incompletely co-ordinated, but here again it was necessary to measure the benefits of reorganization against its dislocations, and on the whole Stimson felt that the American achievement in this field, measured against the conditions of 1940, was more than satisfactory. A full reorganization belonged to the postwar period.

3. THE PLACE OF SPECIALISTS

Stimson inherited, from the comments of his father on the subject of the "bombproof" officers of the Civil War, and from his own experience with 'the uniform-wearing civilians doing morale duty in the back areas' of World War I, a strong feeling that the dignity of the uniform should as far as possible be reserved for those who in fact did the fighting. It was true that this conviction flew in the face of the developing complexity of war; perhaps not half of the men who served use-