CHAPTER 1



SPECIAL AGENTS, SPECIAL THREATS Creating the Office of the Chief Special Agent, 1914-1933

World War I created a diplomatic security crisis for the United States. Under Secretary of State Joseph C. Grew afterwards would describe the era before the war as "diplomatic serenity – a fool's paradise." In retrospect, Grew's observation indicates more the degree to which World War I altered how U.S. officials perceived diplomatic security than the actual state of pre-war security. During the late nineteenth and early twentieth centuries, the Department had developed an effective set of security measures; however, those measures were developed during a long era of trans-Atlantic peace (there had been no major multi-national wars since Napoleon's defeat at Waterloo in 1814). Moreover, those measures were developed for a nation that was a regional power, not a world power exercising influence in multiple parts of the world. World War I fundamentally altered international politics, global economics, and diplomatic relations and thrust the United States onto the world stage as a key world power. Consequently, U.S. policymakers and diplomats developed a profound sense of insecurity regarding the content of U.S. Government information. The sharp contrast between the pre- and post-World War I eras led U.S. diplomats like Grew to cast the pre-war era in near-idyllic, carefree terms, when in fact the Department had developed several diplomatic security measures to counter acknowledged threats.

The Department's growing anxiety about diplomatic security resulted more from its recognition that U.S. communications, documents, and diplomats had become more alluring targets for intelligence and espionage by rivals, not a loss of naiveté. This recognition stemmed from three changes to U.S. diplomacy. First, U.S. officials recognized that the United States had become a world power instead of just a strong regional power. Second, because the United States was more extensively involved in world affairs, U.S. officials realized that they were generating much more classified information than they had previously; moreover, information that they had previously deemed unclassified now seemed "confidential." Third, as a world power, the United States was expanding its diplomatic representation across the globe, creating a greater need for improved communications and greater opportunities for security breaches. This transformation was so extensive that it led some to assert mistakenly that diplomatic security did not exist in the Department before World War I, or to underrate the Department's pre-war security measures.²

During the war, Department officials grew anxious about the threats to U.S. diplomacy. Espionage and subversion were common, and nations did not always observe diplomatic immunities and privileges. To meet this challenge, the Department created Special Agents, the Department's first formal security officers. Led first by Chief Special Agent Joseph M. "Bill" Nye, and afterwards by his successor Robert C. Bannerman, the Special Agents built upon existing security measures and enabled the Department to undertake several new security initiatives such as passport fraud investigations.

As the urgency of war faded into the peace of the 1920s, the Department followed competing impulses regarding security. Still concerned about the diplomatic threats, Department officials wanted to retain, even enact stricter security measures; yet, they also wanted to cut expenses and revert (somewhat nostalgically) to pre-war practices. For example, the Department retained its war-time creations of Special Agents and couriers, but both suffered extensive reductions during the 1920s. Despite the competing impulses, senior Department officials generally pursued greater security efforts.

A Crisis of Diplomatic Security

The diplomatic security crisis that the Department of State confronted with the onset of World War I resulted from two inter-related but distinct sources: the belligerents' lack of observance of customary diplomatic immunities, and their aggressive espionage and sabotage efforts.³ German officials required that all outgoing international telegrams and telephone calls (including diplomatic ones) be in German, and many outgoing telegraphic messages were censored by German authorities.⁴ Censorship of coded telegrams, however, was a global phenomenon; British cable companies, as well as the South American Telegraph Company, refused to carry coded messages. U.S. diplomatic pouches faced similar troubles. The First Secretary of the U.S. Legation in Belgium had to cross enemy lines to go to Antwerp so he could communicate with Washington, and the U.S. Embassy in St. Petersburg had to address its pouches to the U.S. Embassy in London because Russian authorities refused to permit the transportation of pouches addressed directly to the Department of State. The U.S. Consul in Bremen reported that German authorities were opening and inspecting all sealed envelopes at the border, forcing him to ship his official correspondence to the U.S. Embassy in Berlin for safe transmittal to Washington.⁵

In the first days of war, U.S. and other foreign diplomats in Germany feared for their personal safety. Joseph C. Grew, who was Secretary of the U.S. Embassy in Berlin at that time, recalled that British, Russian, French and neutral U.S. diplomats (the latter were mistaken for being British), were verbally threatened, spat upon, and assaulted by German mobs, who targeted the diplomats of nations that had declared war and allied against Germany. A "big and hostile crowd" of Germans broke the windows of the British Embassy in Berlin and then kept a threatening vigil outside the Embassy. German mobs also attacked trains carrying foreign diplomats, forcing some diplomats to travel with the curtains drawn to avoid detection and shootings. When American diplomats were harassed, the Kaiser and other senior German officials made significant efforts to demonstrate German-U.S.

friendship in an effort to prevent further attacks on U.S. diplomats and consuls, which might cause the United States to end its neutrality and join the Allied nations against Germany. German newspapers published "long and prominent appeals" to the public not to confuse the Americans with the British, who had declared war against Germany.⁶

The war prompted U.S. posts in Europe to implement new measures to ensure the security of U.S. personnel and diplomatic pouches. As a result of German attacks against British citizens, U.S. diplomats and citizens in Germany wore American flags on their lapels to avoid any confusion that they might be British. The U.S. Embassy in London employed two couriers, Thomas Smith and Henry Eustis, clerks at the U.S. Embassies in London and Berlin respectively, to serve as couriers for U.S. diplomatic pouches between U.S. Embassy London and the U.S. Embassies in Berlin and Vienna. As clerk-couriers, Smith and Eustis made regular trips for the first year or so of the war, although their usage tapered to an irregular, "as necessary" basis by 1916.7 The U.S. Embassy in St. Petersburg employed bearers of dispatch when it could, to transport confidential correspondence to Washington. In Belgium, the U.S., Spanish, and Dutch Embassies joined together and



Figure 1: Political Cartoon "For Ways That Are Dark," W. A. Rogers, appeared in the New York Herald, January 16, 1916. The cartoon shows German Ambassador Johann von Bernstorff paying Military Attaché Franz von Papen to undertake sabotage in the United States, while he goes to the White House to pass a message of respect for neutrality. After linking von Papen to several sabotage efforts, the United States demanded von Papen's recall in 1915. Source: Library of Congress, Cabinet of American Illustration.

paid a Dutch courier to take their pouches to Amsterdam in order to get them to their respective governments.⁸ In London, U.S. Despatch Agent office clerks escorted all incoming and outgoing pouches to and from the ports of Liverpool, Southampton, Plymouth, and Falmouth. Between 1914 and 1920, U.S. Despatch Agent Office clerk Frank Gurney escorted 8,860 pouches and traveled more than 176,577 miles.⁹

In several ways, the Department of State was unprepared for the exigencies of a world war. For example, the barrage of telegraphic communications created confusion in the Department's telegraph office. The Department quickly insisted that U.S. posts had to number and date all telegrams to the Department. U.S. posts overseas compounded the confusion by using whatever encryption code they had available. As a result, the Department

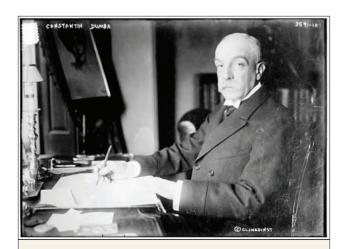


Figure 2: Dr. Constantin Theodore Dumba, Austria-Hungary's Ambassador to the United States. Dumba hired a U.S. citizen to serve as a bearer of dispatch for Austria-Hungary and funded propaganda activities to incite labor unrest in U.S. factories. The United States demanded Dumba's recall in 1915. Source: Library of Congress, George Grantham Bain Collection.

received telegrams in a variety of encryption codes, including Red, Special Red, Blue, Green, and Special Green, as well as an array of commercial codes.¹⁰

President Woodrow Wilson declared that the United States would remain neutral in the war, but the German Embassy in Washington did not observe U.S. neutrality and carried out several propaganda and sabotage efforts against Allied targets. The U.S. Embassy in Berlin discovered vouchers showing that the German Embassy in Washington was funding several propaganda efforts in the United States. Military Attaché Captain Franz von Papen helped organize a ring to provide false passports for Germanand Austrian-Americans wishing to go to Europe to fight for the Central Powers, as well as for German spies conducting espionage in Great Britain, France, and Russia. With the involvement of von Papen

and Naval Attaché Captain Karl Boy-Ed, German sabotage efforts between March and September 1915 led to explosions in ten U.S. factories that produced munitions for the Allied powers. During nearly the same period, thirteen ships (mostly British) that departed U.S. ports with supplies exploded en route. The German military attachés were also involved in plots to blow up the international railway bridge at Vanceboro, Maine, and the Welland Canal linking Lake Erie and Lake Ontario. The United States demanded von Papen's recall in 1915, but Boy-Ed continued organizing such activities until his recall in 1917.¹¹

The espionage and propaganda activities of Austrian Ambassador Dr. Constantin Theodore Dumba prompted the United States to demand his recall in 1915 as well. In August 1915, British agents arrested U.S. war correspondent James F. J. Archibald and found papers in his possession that revealed that he was a bearer of dispatch for the German and Austrian Governments. Archibald also possessed documents showing that Ambassador Dumba had actively funded propaganda efforts for the Central Powers in the United States, and had incited labor unrest in U.S. factories. U.S. officials were angry about not only Dumba's espionage, but also the fact that he had employed a U.S. citizen. Employing an American as a bearer of dispatch implicitly made that U.S. citizen an agent of a foreign government and a target for the enemies of that government. It threatened to make other U.S. citizens combatants in the war, and cast doubt upon U.S. neutrality. Secretary of State Robert Lansing confronted Dumba, charging that "you have cast suspicion on every American going to Germany." Lansing immediately demanded Dumba's recall in an effort to deter other foreign diplomats in Washington from employing Americans as secret couriers. 12

The magnitude of the sabotage, espionage, and diplomatic security activities overwhelmed U.S. Government agencies, and many German and Austrian activities were discovered with British assistance or by sheer luck. U.S. Ambassador to Germany James W. Gerard mistakenly opened a package that arrived by diplomatic pouch and discovered the vouchers documenting German funding of propaganda efforts in the United States. One German agent turned himself in to the British secret service, and his confession exposed the Welland Canal plot and the passport fraud ring. British agents arrested James Archibald, leading to Dumba's demise; and British and French agents assisted with uncovering the plot to sabotage the Vanceboro Bridge. The New York City bomb squad decided to check out a person who was acting suspiciously and uncovered several sabotage plots. The U.S. Secret Service uncovered other German sabotage plans when the German Commercial Attaché absent-mindedly left his briefcase on a New York elevated train (the attaché managed the German Embassy's finances).¹³

The German Embassy's success in exploiting passport fraud resulted in part because mandatory use of passports was a new phenomenon. Prior to 1914, U.S. citizens did not need to carry passports for travel to most European countries. With the outbreak of war in 1914, U.S. chiefs of mission in Europe issued emergency passports upon request, and passports were soon limited to U.S. citizens and to those declaring their intent to become U.S. citizens. On December 21, 1914, the Department tightened passport application requirements, compelling applicants to provide three photographs, as well as a birth certificate, certificate of naturalization, or an old passport. Passport applicants also needed to declare which countries they intended to visit and the general purpose of their travels; moreover, the passport was valid only for the countries declared. 15

The 1915 discovery of the passport fraud ring and the German Embassy's ties to it prompted U.S. officials to impose further passport restrictions. Passports could no longer be issued to those who declared their intent to become a U.S. citizen if their country of origin was at war or if the person was planning to visit a belligerent country. President Wilson, through Executive Order No. 2285, required all U.S. citizens to apply for a U.S. passport at a court of record near their residence, and applicants had to swear an oath of allegiance to the United States. Wilson also required that all foreigners leaving the United States must have passports issued by the governments of their respective countries. The Department of State then requested the chiefs of foreign diplomatic missions in Washington to supply blank or expired passports to the Department so that U.S. officials could recognize valid passports from their countries.¹⁶

Creating a Diplomatic "Secret Service"

Secretary of State Robert Lansing recognized the security crisis confronting the Department and instituted several measures to address it. He implemented a strict building pass system that applied to all Department visitors, including Congressmen, reporters, and delivery and service personnel. Lansing and other senior officials believed that some regular visitors to the Department (notably reporters) were paid by the Germans, were "too indiscreet," or were "too indifferent" to national security considerations to merit access to the building. While the

earlier pass system consisted of a written authorization by the Chief Clerk or a division chief, Lansing's new system required a photograph to be affixed to the pass. Visitors were not allowed beyond the guard or watchman's station unless they received verbal permission from the person whom the visitor requested to see. Moreover, persons unfamiliar to the Department officials were escorted to and from the specified office, and refused access to other parts of the building.¹⁷



Figure 3: Secretary of State Robert Lansing. Lansing created a "secret service" for the Department of State, and the men were called Special Agents. Lansing's secret service was the forerunner of the Bureau of Diplomatic Security. Source: Library of Congress, National Photo Company Collection.



Figure 4: Leland Harrison. Harrison headed Lansing's "Secret Intelligence Bureau," which collected intelligence relating to espionage against U.S. interests in Washington and oversaw the surveillance of the German Embassy in Washington. Source: Library of Congress, National Photo Company Collection.

Lansing also moved to create an inter-agency "secret service" located in the Department of State. Many German and Austrian acts of fraud, propaganda, sabotage, and espionage cut across or fell between the jurisdictions of various U.S. law enforcement agencies. Secretary of the Treasury William McAdoo admitted that the Secret Service, the Federal Bureau of Investigation, and the Post Office Inspection Service were often "crossing wires with [one] another in running down crimes and conducting investigations" of espionage, fraud, and sabotage. To rectify this, Lansing proposed creating an office under the Department of State's Office of the Counselor to review investigation reports from several law enforcement agencies. In proposing this to President Wilson, Lansing contended that given the serious diplomatic consequences involved with both the act and the investigation, the Department of State should oversee the response and actions of other agencies. Lansing envisioned the proposed office to be a clearinghouse of information, and he hoped that the Departments of Justice and Treasury, and the Postal Service would detail agents to this Bureau of Secret Intelligence to gather information on belligerent activity in the United States.18

Lansing's proposal drew a mixed response, and he later admitted that inter-agency rivalries and "mutual jealousies" undermined it. Secretary of the Treasury McAdoo strongly supported Lansing's intelligence bureau, and sent a letter endorsing it to the President, the Attorney General, and the Postmaster General. Postmaster General Albert Burleson was reluctant to release any of his investigators for the new project, but later agreed to send some men to the Department of State on a temporary assignment. Attorney General Thomas Gregory outright refused to contribute any resources to the effort. In mid-1917, McAdoo pleaded with Wilson to endorse Lansing's intelligence office, but Wilson stalled.²⁰

Frustrated by the delay, Lansing created the "Secret Intelligence Bureau" on April 4, 1916. He pulled Leland Harrison from the Latin American Division, where Harrison was serving as Deputy Chief of Division, and tasked him with the "collection and examination of all information of a secret nature." Admitting that the new

bureau was "extra-legal," Lansing placed Harrison under the direction of Frank L. Polk, Counselor of the Department of State. Harrison submitted regular reports to Lansing on intelligence he had received during the previous 24 hours.²¹ He obtained that information from the War and Navy intelligence offices, the Secret Service, and other U.S. Government agencies, as well as Allied intelligence agents, most notably the British. Harrison and Edward Bell, who was Secretary of the U.S. Embassy in London, regularly corresponded and shared information, and Bell appears to have maintained regular contacts with British intelligence and secret services.²²

Harrison worked most closely with the Secret Service and oversaw the clandestine surveillance of the German Embassy, located near Thomas Circle in Washington DC. On May 14, 1915, through an executive order, President Wilson authorized the Secret Service to conduct surveillance on German diplomatic personnel at the German Embassy and at the German consulate office in New York City.²³ This surveillance, as well as passport investigations, prompted the Secret Service to detail a squad of agents to the Department of State, and the squad reported to Harrison.²⁴ In 1916, Lansing ordered the Secret Service to tap the German Embassy's telephone and telegraph lines,



Figure 5: The German Embassy in Washington, D.C., 1915. Located at 1425-1427 Massachusetts Avenue, NW, the Embassy was under surveillance by the Secret Service and the Department of State. The leader of the Secret Service squad conducting the surveillance was J. M. Nye, the first Chief Special Agent for the Department of State. Source: Library of Congress, Prints and Photographs Division.



Figure 6: Count Johann Heinrich von Bernstorff, the German Ambassador to the United States. As a Secret Service Agent, Joseph M. Nye headed the squad that tapped into Bernstorff's telegraph and telephone line. Nye's first task as Chief Special Agent was to escort Bernstorff everywhere until he departed for Germany after the United States entered World War I in 1917. Source: Library of Congress, George Grantham Bain Collection.

and the squad set up its listening post a couple of blocks from the German Embassy. At 8 o'clock each morning, the Secret Service squad leader, Joseph M. Nye, submitted--probably through Harrison--a daily memorandum to the Secretary of State, which detailed the squad's findings for the previous 24 hours. Harrison's group also had obtained several German codebooks, which made deciphering the German codes a "simple matter." Early on January 31, 1917, as a result of the Secret Service squad's wire-tapping of German Embassy line, Nye informed Lansing that during his (Lansing's) 4 p.m. meeting with German Ambassador Count Johann Heinrich von Bernstorff, the Ambassador would tell him that Germany had renewed unrestricted submarine warfare. Bernstorff did, and unrestricted submarine warfare was one of the actions that would lead the United States to declare war on Germany a couple of months later.²⁵

Just after Nye's intelligence report, Lansing appointed Nye as "Special Assistant to the Secretary" in February 1917, making Nye the Department of State's first formal security officer. Having collaborated with Nye for several months, Harrison recruited him to be the Department's first "special agent." Good-natured and extroverted, Nye had previously served on the protective details for Presidents Taft and Wilson, and had conducted several counterfeiting and forgery investigations. 27

Gaining the title Chief Special Agent a few weeks after his appointment, Nye spent most of his first year at the Department as Special Assistant to the Secretary protecting foreign dignitaries. His first duty assignment was to escort the German Ambassador Count von Bernstorff everywhere until the diplomat's departure several weeks later. Nye and the Special Agents he hired spent much of the remainder of 1917 making travel arrangements for and protecting the Belgian, French, British, Italian, Japanese, Russian, and Serbian War Missions that visited the United States. The Special Agents also protected the Governor-General

of Canada and several members of British, Danish, and Japanese royal families when they visited in 1918.²⁸

When Nye recruited men for his Special Agent force, he turned to Post Office Inspectors, who were among the nation's leading, most broadly trained security professionals in the country. Nye's first three recruits—James O'Connell, Robert S. Sharp, and Robert C. Bannerman—were all former Postal Postal Inspectors already possessed Inspectors. the flexibility and investigative skills that Nye, Lansing, and the Department of State sought.²⁹ Postal Inspectors investigated cases of fraud, theft, and transportation of illegal items (including explosives, weapons, banned substances), as well as internal investigations of malfeasance or corruption against Postmasters and other senior postal officials. Inspectors had to determine whether the culprit was an insider or someone manipulating the system from outside. They interviewed and determined the credibility of witnesses, suspects, and perpetrators, as well as conducted reference and background checks of employees and applicants to the federal government. They inspected facilities, enforced procedures and regulations, and handled both "confidential" and public information. The Postal Inspector background undoubtedly helped set the foundational orientation and jack-of-all-trades flexibility that characterized the Department of State's Special Agents for several decades.30



Figure 7: Joseph M. Nye, the Department of State's first Chief Special Agent, 1917-1920. Source: Library of Congress, Prints and Photographs Division, Biographical File.

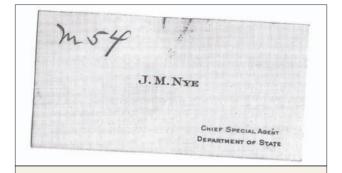


Figure 8: Chief Special Agent Nye's business card. Source: Department of State Records, National Archives and Records Administration.

Nye and the Special Agents soon organized and opened two offices: one in the Department, and one in New York City. Nye, his secretary Nettie Bagby, and an assistant staffed the main office in the Department. Meanwhile, the New York Field Office comprised most of the staff (the other seven agents) and was under the supervision of Special Agent Robert Sharp. Nye drew his operating funds from a confidential account of the

Secretary of State's office. A few agents were "dollar-a-year" men (lawyers, businessmen, and other professionals) who volunteered for the job; however, most had Postal Inspector backgrounds. The Chief Special Agent operated in a public manner, with Department personnel openly referring to Special Agents as "the force;" and the Chief Special Agent and his secretary were listed under the Office of the Under Secretary of State Frank Polk in the Department's published register.³¹

Security during World War I

Lansing created the Special Agent force just as the Wilson Administration was moving to declare war against Germany and Austria-Hungary, and it was one of several wartime measures that Lansing implemented to improve diplomatic security. Lansing also ended the practice of Department officials speaking independently

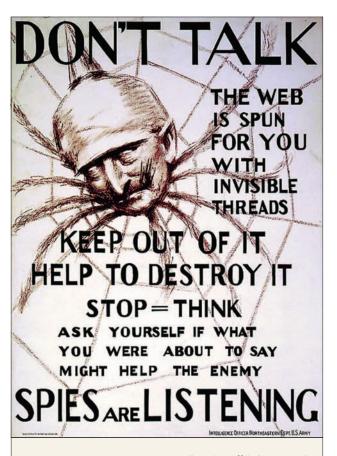


Figure 9: American War Poster "Don't Talk" (ca. 1918). A World War I poster to encourage better security practices against espionage. The head / "spider" is Kaiser Wilhelm II of Germany. Source: Library of Congress, Prints and Photographs Division.

to reporters, and made such potential breaches of confidentiality punishable offenses. He limited press interviews to himself and other senior Department staff, and created the Bureau of Information to handle press inquires. To distinguish confidential telegrams from unclassified messages, all telegrams that arrived in code were printed out on paper that had a yellow bar running down the right edge of the paper. The Department began to place invoices in pouches to indicate when items were missing or lost. The Department also instructed posts to use two seals on envelopes, one center-left and one center-right, instead of placing a single seal in the center.³²

In March 1918, the Department issued the new Grey Code to replace the Green Code; however, communications security did not necessarily improve. Less than a year later, the Department received word that at least one British Legation had a copy of the Grey Code. Also, as had occurred with previous codes, the Department's distribution of the code was uneven. Some posts had not received the Grey Code, others still had only the Blue Code, and others did not even have the Red Code, prompting this last group to turn to commercial codes. With multiple

codes as well as special holocryptic variations in use, it was not uncommon for a post to receive a message that it could not decode. The Department resorted to noting on the plain-text copy of the telegram which code had been used to encipher it, in part so they knew which code to use when responding to post.³³

The United States' entry into World War I led the Department to add couriers to its mail and pouch system. Upon the suggestion of Harrison and Commander Edward McCauley, Jr. of the Office of Naval Intelligence, the Department of State asked the Department of the Navy to assign nine Marines for courier duty in October 1917. The Marines received special passports and wore civilian clothes. were split between three routes in Europe, with the Navy and State Departments later adding a fourth route for East Asia (Manila, Tokyo, Tientsin, Peking, and Shanghai). For the three European routes, five Marines operated the route from Bergen, Norway, Oslo, Stockholm, Copenhagen, Helsingfors (Helsinki), Petrograd (St. Petersburg), and Jassy (Iasi, Romania). Three Marines carried pouches between London and The Hague, and one Marine carried pouches between Paris and Rome. On February 26, 1918, the Departments of State and Navy agreed to add six more Marines to the courier routes.³⁴ In August 1918, the Department of State initiated

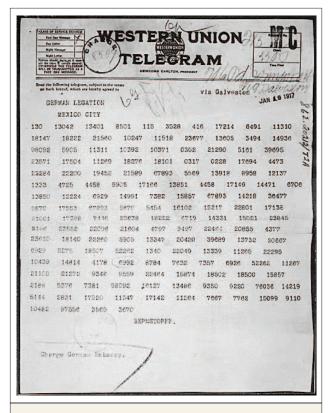


Figure 10: The Zimmerman Telegram. In the 1917 telegram, the German Imperial government promised Mexico that it would receive its lost territories of California, Texas, Arizona, and New Mexico if it declared war on the United States. Contributing to the United States' decision to enter World War I, the telegram used five-digit groups like the United States' Blue and Green Codes. The United States received the telegram and a decoded version from the British shortly after Nye was hired as Chief Special Agent. Source: Department of State Records, National Archives and Records Administration.

regular courier service between Mexico City and Laredo, Texas, primarily due to the theft of a Spanish diplomatic pouch and other issues that resulted from the Mexican Revolution, which had begun in 1910.³⁵

The Marine couriers supplemented the Despatch Agent network; they were never viewed as a replacement for it. Secretary of State Elihu Root had suggested such an enhancement of the Despatch Agent network ten years earlier (in 1907); however, the 25-plus bilateral agreements for reciprocal exchange of diplomatic pouches (negotiated between 1900 and 1912) apparently postponed the need to pursue the suggestion further.³⁶ With the war creating a more urgent need in 1917, the Marine couriers were conceived strictly as a means of moving



Figure 11: Ambassador Amos J. Peaslee. As a U.S. Army Captain, Peaslee, at the direction of General John J. "Black Jack" Pershing, formed a courier service for the U.S. Expeditionary Forces in Europe during World War I. The military couriers later served President Wilson and the U.S. delegation at the Versailles peace negotiations during 1919 but was then disbanded. The U.S. Army courier service was one of several entities that served as forerunners of the Department's courier service. Peaslee later joined the Department and served as U.S. Ambassador to Australia (1953-1956). Source: Department of State Records National Archives and Records Administration.

diplomatic pouches to a point where the pouches could effectively and safely enter the Despatch Agent network. For example, with the Scandinavia-Russia route, the London Despatch Agent Office transported pouches to the U.S. Consul in Aberdeen, Scotland, where the British steamer *Vulture* carried the pouches to Bergen, Norway. In Bergen, the U.S. Consul received and assigned the pouches to the couriers on the Scandinavian-Russian route, and arranged for the return of pouches back to London. Similarly on the other routes, Marine couriers brought U.S. pouches to London or to Paris, where they entered the Despatch Agent system.³⁷

The supplementary nature of the Marine couriers indicates a "dotted line" in tracing the origins of the U.S. diplomatic courier service. The courier service had multiple predecessors. Moreover, it arose largely from two sources: technological innovation and altered perceptions regarding classified information. The trans-oceanic shipment of the vast majority of U.S. diplomatic correspondence had made bearers

of dispatch cost-prohibitive during the nineteenth century, leading the Department to create the Despatch Agent network. The turn-of-the-century negotiation of bilateral agreements for the free, unimpeded exchange of diplomatic pouches further obstructed the creation of a U.S. courier service, even though steamships had substantially reduced the costs of trans-Atlantic transport. For economy-minded Department officials who operated in an era when many, including Congress, viewed diplomats as an extravagance, the cost of having a person accompany diplomatic pouches seemed a luxury.³⁸

While innovations in steam power and ship design reduced the costs of trans-Atlantic shipments, World War I transformed how U.S. officials perceived the classified nature of U.S. Government information, setting the stage for a courier system. With the war's first shots in August 1914, the interruption of transportation (road, rail, and shipping) networks prompted the Department of State to employ two embassy clerks to serve as couriers between London and Berlin. The U.S. entry into the war in 1917—and the accompanying concern that interception of confidential U.S. documents threatened to reveal U.S. or Allied vulnerabilities, or bestow advantages to U.S. enemies or rivals—led the Department to add Marine couriers to facilitate the transport of U.S. pouches through war zones.

The arrival of large numbers of U.S. troops on French soil in 1918 only intensified concerns about the disclosure of U.S. Government and military information, which in turn, demanded quick, reliable, and secure communications. U.S. Army officials created their own courier service. In March 1918, General John J. "Black Jack" Pershing, frustrated by the slow transit of correspondence between Paris and Washington, authorized U.S. Army Captain Amos Jenkins Peaslee to organize a military courier service. Separate from the Marine couriers used by the Department of State, Peaslee's courier service was staffed with seven U.S. Army officers and four enlisted men, and used the Hotel Crillon in Paris as its headquarters. Within three weeks, transit times for U.S. correspondence between Paris and Washington dropped from roughly five weeks to less than two weeks. How much the U.S. Embassy in Paris or other Department posts used the military courier service is unclear; however, Peaslee's service was very successful.³⁹

The duties of Nye and the Special Agents expanded during the war. Besides protection of visiting foreign dignitaries, Nye made the travel arrangements (rail, hotel, and car reservations) for the Secretary of State. Special Agent Robert C. Bannerman accompanied Colonel Edward M. House, who served as President Wilson's special envoy, on many trips. Fee Special Agents in New York and Washington conducted surveillance on domestic groups deemed "disloyal," such as the Non Partisan League, and investigated the activities of two groups in particular: Hindu nationalists and Irish revolutionaries. In an effort to weaken the British, the Germans funded and encouraged nationalist groups in India and Ireland to overthrow British colonial rule. In the case of Hindu groups, Nye and his Special Agents helped to build a case against thirty Hindus who were charged with "fomenting a revolution against a friendly power" (Great Britain). The Hindus were accused of distributing provocative literature, trafficking arms

to India, and inciting colonial subjects from Asia and Africa to rise against British rule.⁴³ In regard to Irish revolutionaries, Department of State Special Agents learned that German agents stationed in Mexico had recruited and paid Irishmen to conduct sabotage in the United States. The Chief Special Agent's office determined that the Irish saboteurs had devised plots to burn parts of Seattle, as well as ammunitions stores, elevators, wood-yards, shipyards, and airplane factories in other U.S. cities.⁴⁴

Security after the Great War

When the armistice went into effect on the eleventh hour of the eleventh day of the eleventh month (November 11, 1918), World War I ended;



Figure 12: U.S. Army Couriers. Among the early forerunners of today's Diplomatic Couriers, U.S. Army Officers served as couriers for U.S. Expeditionary Forces in France during the First World War and for President Wilson and the U.S. delegation during the Versailles peace negotiations in 1919. Source: Bureau of Diplomatic Security Files.

however, the Department of State's war-time anxieties about security did not. The Department's persistent concerns resulted from three changes: an intensified recognition among Department officials of the need for security, the United States' shift from an emerging power to a world power, and the expansion of U.S. diplomatic representation abroad. Although the Department had implemented many security

measures before the war, those measures were applied to the diplomacy of a nation that viewed itself as an emerging power. After the war, U.S. officials perceived their nation as a world power, whose diplomats needed to maintain security and discretion concerning the serious issues, discussions, and negotiations in which the United States was now engaged. Moreover, this new status, plus the expansion of U.S. diplomatic posts abroad, required U.S. diplomats to handle and transmit much more classified information than they had done previously.

This dramatic shift led some Department officers to deprecate pre-war security measures; however, they overlooked the fact that the postwar espionage threat was much greater because the United States had now become a more appealing target. For example, humorist James Thurber, who served as a code clerk for the U.S. peace mission in France, dismissed the Department's pre-war telegraphic codes as "quaint transparencies ... intended to save words and cut costs, not to fool anybody."45 Thurber's dismissal of pre-war codes mistakenly presumed that pre-war U.S. diplomatic messages contained confidential information roughly equivalent in scope, degree, and amount to postwar telegraphic messages. This was not the case because the United States was not then involved in the range of issues and discussions that it was afterwards, nor was it considered within the

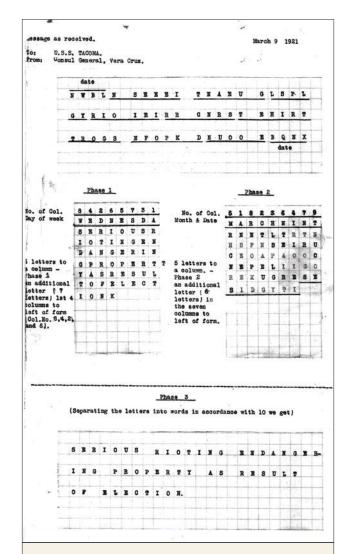


Figure 13: Illustration for Deciphering a Joint Department of State-Navy Code, likely Code A-1 or B-1. After World War I, the Department of State worked jointly with the U.S. Navy to develop better telegraph codes. Perhaps more important, the Department began to change its codes quarterly to deter espionage. Source: Department of State Records. National Archives and Records Administration.

inner circle of great powers. The U.S. telegraphic code did not have to be unbreakable; it only had to serve as a deterrent sufficient to exceed the value of return, and the value of return from U.S. diplomacy before World War I was generally small.

The United States' changed status and Department officials' continuing security anxieties led the Department to maintain, even expand security during the 1920s. After the war, Department officials insisted upon maintaining security at a war-time level. For example, they mandated the use of lock boxes to transport confidential documents between offices in the Department. However, Department officials were also concerned about the cost and effectiveness of security measures. In the early 1920s, Department officials made budget cuts to security-related programs; yet they reinstated the programs within a year or two because it became clear that Departmental security was being compromised.⁴⁶

The Department of State gave extensive attention to security in 1919 when President Wilson and the U.S. Commission to Negotiate Peace joined the Allies at Versailles, France, to negotiate postwar arrangements. With the assistance of the U.S. Army Signal Corps, the Department erected a special telegraph cable devoted exclusively to U.S. diplomatic messages from the U.S. Embassy in Paris to the port of Le Havre, where it connected to the transatlantic cable system. U.S. Navy personnel staffed the telegraph office at the U.S. Embassy in Paris, and the Navy was responsible for providing special codes for the President and U.S. officials at the peace conference. In addition, Wilson and the Commission used Major Peaslee's 14 Army couriers, 47 and the Department of State assigned them diplomatic passports. 48

The Department also strove to improve its telegraphic codes and enhance the security of its telegraphic messages. Shortly after the introduction of the Grey Code, the Department worked with the Departments of Navy and War to create a common telegraph code.

During the decade of the 1920s, the Department, with Navy assistance, issued four new codes: A-1, B-1, C-1, and D-1, each replacing its predecessor after two to three years. Department officials regularly altered each code, sending new code tables to its posts quarterly. The Department used separate codes for each of the various peace conferences, such as the 1922 Lausanne conference. Posts also declared their code rooms "restricted," limiting access to U.S. diplomatic officers and barring access by foreign nationals.⁴⁹ The Red and Blue Codes were declared obsolete, and the Green Code was acknowledged to be known to several governments. In fact, as an indication of changed expectations of code security, one Chief of Mission in 1925 considered the Grey Code (issued in 1918) too old to be safe for confidential messages.⁵⁰

The Departments of State and War further cooperated to create the United States' own signal intelligence office, commonly referred to as the "Black Chamber." In 1918, at the end of the War, Secretary Lansing and Special Assistant Harrison decided to retain a cryptology office that focused upon solving other governments' telegraphic codes. They turned to Herbert O. Yardley, who as a Department of State code clerk had broken President Wilson's code in less than 2 hours. During the war, Yardley had worked at the U.S. Army's MI-8

(Military Intelligence) office, which had solved approximately 50 codes of 8 different governments. In 1919, Yardley set up the office in New York City. The office immediately proved its value by deciphering the Japanese diplomatic code and reading that Government's messages to its delegation at the Washington Naval Conference of 1921-1922. Yardley's code breakers informed U.S. negotiators that the Japanese Government would accept a 10 to 6 ratio of U.S. and Japanese battleships, enabling U.S. diplomats to continue pressing for that ratio when Japanese representatives rejected it and tried to stall.⁵¹

After the war, the Department cut its courier service only to revive it again, an action which exemplified the Department's conflicted mindset over seeking greater security and ensuring fiscal economy. During 1919, the Department utilized two courier services: the Army couriers for the U.S. delegation at the Versailles peace conference, and the Department's Marine Corps couriers for the other posts in Europe. When negotiations in Versailles concluded in August 1919, the Department of War disbanded the Army courier service; meanwhile, the Department moved its three Marine couriers and their headquarters from London to Paris. Given that the Marine couriers supplemented the Despatch Agent system, the Department reexamined the necessity of the couriers because the Marine courier service was "very much confused." At an approximate cost of \$146,000 per year, the service was deemed rather expensive. On June 30, 1921, under the new Republican administration of President Warren G. Harding, the Department discontinued courier service in Europe because its cost exceeded reduced appropriations. The courier service for East Asia survived eight months longer, but it too was cut for budgetary reasons. 53

The Department revived the courier service one year later (1922), and its revival resulted from security concerns about the diplomatic correspondence from the new U.S. Legations in Eastern Europe. By 1922, U.S. diplomats were complaining about the lack of security when using the postal systems of Central and Eastern Europe, and the problem resulted because Department officials had not made a key postwar adjustment.⁵⁴ Prior to the war, the United States had trusted the German and Austrian imperial postal services (the British postal service was the only other system the Americans trusted). After the war, with the creation of Poland, Czechoslovakia, Hungary, Latvia, Estonia, and Lithuania from the collapsed Austria-Hungarian and Russian Empires, U.S. diplomats reverted to pre-war practice and tried to use the nascent postal systems of the new nation-states. Compounding the problem was the fact that the United States had upgraded its Consulates in the new capital cities to Legations. The upgrade, combined with the United States' changed status as a world power, generated a very different set of correspondence from the posts, usually involving more classified information. The subsequent complaints of tampered mail and pouches created a new, postwar security dilemma that the Department resolved by reviving the courier service.

The Department of State retained the Chief Special Agent and his staff. Nye continued to make domestic travel arrangements for the Secretary of State. Moreover, the number of foreign dignitaries visiting the United States increased after the war, with visits by Edward, the Prince of Wales (later King Edward VIII) and then King Albert I and Queen Elisabeth of Belgium in 1919. Chief Special Agent Nye logged 8,837 railroad miles

escorting the King Albert I and Queen Elizabeth on their tour of the United States. King Albert not only referred to Nye as "Beel," but also awarded him the Order of Leopold. Nye also organized and headed the protective details for such dignitaries as Prime Minister Robert Borden of Canada, President Epitácio Pessoa of Brazil, President Baltasar Brum of Uruguay, Prince Axel of Denmark, and Prince Ferdinand of Savoy. In 1921, the Chief Special Agent's office provided protective security for the delegations to the Washington Naval Conference.⁵⁵ During this assignment, Special Agents ushered the distinguished foreign diplomats through customs, arranged their transportation and schedule, and at times, provided appropriate entertainment. If threats to the visiting foreign dignitaries required it, the Chief Special Agent would create aliases for them. For example, Prince and Princess Asaka of Japan traveled as Count and Countess Asa during their 1925 visit to America.⁵⁶

Special Agents also navigated between the barriers imposed by Jim Crow segregation and the diplomatic privileges and courtesies required for diplomats and foreign dignitaries when diplomats from Liberia and other African nations visited the



Figure 14: Robert C. Bannerman. Bannerman replaced Nye as Chief Special Agent in 1920, and served in that position for 20 years until 1940. It was Bannerman who expanded the Office of the Chief Special Agent's duties to include many tasks still held by the Bureau of Diplomatic Security today: background investigations, passport fraud, oversight of couriers, protection of foreign dignitaries, and internal investigations. Source: Bureau of Diplomatic Security Files.

United States. Special Agents recognized that black diplomats would visit, attend, and patronize black venues, and that they might have to explain the status of and required courtesies for black diplomats to white officials and businessmen. Evidence suggests that despite having to accommodate for Jim Crow laws, Special Agents provided protection and services for visiting Liberian diplomats equivalent to that for European and Asian diplomats.⁵⁷

To protect foreign dignitaries, the Chief Special Agent often enlisted the assistance of local law enforcement, Post Office Inspectors, and/or the Secret Service. For the 1919 visit of the Prince of Wales, Nye called upon Post Office Inspectors to help. When Prince Chichibu, second son of the Japanese Emperor, visited Chicago, the Chief Special Agent requested a police escort, citing a potential threat from the large local Korean population. Similarly, when the Cuban President visited in 1927, he received local police protection while in Miami.⁵⁸

During the immediate two years after the war, the Chief Special Agent's office followed a trajectory similar to the courier service: it endured budget and personnel cuts, but gained responsibilities. In 1920, Nye resigned as Chief Special Agent and accepted a position as executive assistant to the president of Guaranty Trust Company, one of the major banks in New York, where he worked to improve measures to deter fraud. Robert C. Bannerman replaced Nye as Chief Special Agent in 1920. In the same year, the Department cut its personnel, and eight of the ten Special Agents lost their commissions, including Robert Sharp, head of the New York Field Office. On August 30, 1921, the Secretary of State issued Department Order No. 223 which moved the Chief Special Agent from the Secretary of State's office to the Under Secretary of State's office, receiving the designation "U-3." As Assistant to the Under Secretary, Bannerman maintained liaisons with the FBI, the Military Intelligence Division (MID), the Secret Service, the Shipping Board, and the Departments of Navy, War, Justice, and Labor. 59

The Chief Special Agent office's rapidly growing responsibilities forced the Department to rehire many of its Special Agents in 1921, just one year after cutting their positions. Sharp returned as Special Agent-in-Charge in New York; and with a staff numbering 25 people, several Special Agents were again tracking radicals and suspected foreign agents. Special Agents also conducted internal affairs investigations of Department employees who may have leaked information to the press or engaged in criminal activity. Chief Special Agent Bannerman investigated the disappearance of several thousand dollars from diplomatic pouches, and determined that the Chief Clerk of the Mail Room was committing the thefts. Special Agents conducted background investigations for new Department of State employees. While some travel was involved in the investigations, the Special Agents worked closely with Post Office Inspectors, who completed the background investigations in the various hometowns and former cities of residence of the prospective Department employees.

One of the Chief Special Agent's more unusual investigations involved the illicit importation of liquor by the British Embassy, just after Congress and the states had passed Prohibition. The Eighteenth Amendment to the Constitution, or Volstead Act (effective in January 1920), forbade the manufacture, sale, transportation, and importation of "intoxicating liquors" in and into the United States. In 1921, British diplomats in Washington arranged for the British shipping company Joseph Travers & Sons to send 83 cases of liquor, on the pretext that the spirits would be used for official embassy functions. Although alcohol technically could still be consumed within foreign embassies or legations in the United States, private consumption outside of embassy premises was subject to the Volstead Act. Based upon his office's investigation, Bannerman concluded that the 83 cases were imported by British Embassy for personal use by Embassy staff. Intercepted correspondence revealed that 18 British Embassy employees had pooled their money for payment, and that the staff hoped to place bigger orders in the future. Some employees even wanted to place standing monthly orders, and the Embassy staff patted themselves on the back for their ingenuity. The Chief Special Agent's office concluded that this was a clear attempt to circumvent the laws of the United States, but despite the incriminating evidence, the Department decided not to prosecute the British in the interest of maintaining good bilateral relations.⁶²

The Office of the Chief Special Agent also investigated passport and visa fraud. Bannerman and his Special Agents devoted particular attention to anarchists, Bolsheviks, and other radical Left groups that used fraudulent passports to enter the United States. During World War I, Congress made it a felony to knowingly assist anarchists entering the United States, and later banned and required the deportation of anarchists and persons who promoted anarchism. After the 1917 Bolshevik Revolution in Russia, U.S. officials denied passports to U.S. Communists who wished to travel to Russia for instruction or training (Secretary of State Henry L. Stimson relaxed this proscription in 1931). With the new visa and passport laws, the Chief Special Agent's office gained a tool to deport foreign agents engaged in espionage, sabotage, or other illegal activities, and as a result, passport and visa fraud investigations became a cornerstone responsibility for the Chief Special Agent's office throughout the 1920s and 1930s.⁶³

During their investigations of Bolsheviks, Special Agents paid particular attention to the activities of the Amtorg Trading Corporation, which they strongly suspected was a cover for Soviet espionage. Created in 1924 by the Soviet Union, Amtorg Trading ostensibly promoted trade between that country and the United States. The Department issued a visa to Amtorg employee Boris I. Kraevaky, but the Chief Special Agent later sought to revoke it because Kraevaky appeared to be involved in activities other than international trade. Special Agents tracked Amtorg's exports to the Soviet Union, particularly metals such as copper, zinc, aluminum, and manganese, as well as the company's purchases of Ford tractors, John Deere agricultural implements, and wheat (more than \$13 million between May and December 1924 alone). Special Agents also investigated Amtorg's contacts within U.S. companies such as Chase National Bank, and took interest in Amtorg's unusually large budget for "employee education," which was likely for indoctrination of Communist ideology and Soviet activities.⁶⁴

By 1924, Chief Special Agent Bannerman's scope of security-related duties extended to restructuring the Department's struggling courier service, which was now manned by civilians rather than Marines. European posts complained of not receiving pouches or receiving pouches less often than they had before the war with the Despatch Agent system. For European posts served by the couriers, it took a minimum of 42 days for a post to send a despatch and receive a reply. Some posts such as the U.S. Embassy at The Hague asked if they could opt out of the courier service and return to the Despatch Agent system. They argued that they could receive mail and Department instructions far more quickly and frequently from the Despatch Agents than they could from the couriers. Occasionally a pouch went into a foreign postal service, which prompted one exasperated Chief of Mission to scold the Department: "After all of the proofs and experiences and knowledge we have gained" during the war, "for our pouches to pass through [foreign] hands – one is struck almost speechless. What is the matter with us?"65

The Department's small three-person courier service was overwhelmed and overworked. The couriers carried an average of 50 pouches, with the number and size of the pouches continually increasing. Couriers many times faced angry rail conductors and station officials who feared the many pouches would damage



Figure 15: Department of State Diplomatic Courier Bill Croasdale hands pouch to Vice Consul I. Raymond Baine, who is on the Orient Express railcar, in Milan, Italy, in 1957. With the creation of several new nations in Central and Eastern Europe after World War I, the Department needed couriers to supplement the Despatch Agent network. The Orient Express was one of the rail lines that the threeman courier service used. Source: Department of State Records, National Archives and Records Administration.

compartments, or the couriers had to bribe customs officials to let them cross a border. At times, the couriers had their compartments so stuffed with pouches that they had no place to sleep during the train trip to the next stop. By January 1925, European railroad officials refused to allow couriers to carry more than one pouch into their compartment, which meant that the other pouches were stored unattended and unsecured with baggage.⁶⁶

The fact that Department couriers carried pouches for Army and Naval Attachés, as well as the Department of Commerce, compounded the problem. Department of Commerce mails comprised 35 percent of all pouches; whereas, the War and Navy Departments constituted 11 percent and 9 percent respectively. When Department of State officials asked the Department of Commerce to pay \$17,500 for their share of courier expenses,

Commerce officials replied (as did their Navy and War Department counterparts) that they had no funds for such an expense.⁶⁷

The three couriers spent extended time on the road. Each courier traveled the entire circuit: Paris-Zurich-Vienna-Budapest-Belgrade-Sofia-Constantinople-Sofia-Bucharest-Sofia-Belgrade-Budapest-Vienna-Prague-Berlin-Warsaw-Riga-Berlin-Prague-Vienna-Zurich-Paris. The circuit was two routes: the Southern route took 20 days (Paris to Constantinople and back) and the Northern route took 11 days (Vienna to Riga and back). The courier then had two days of rest in Paris before making the Paris-London-The Hague-Brussels-Paris route. He rested four days, only to begin the circuit again. All three couriers met in Vienna to exchange pouches – one returning from Riga on the Northern Route, one returning from Constantinople on the Southern route, and the third arriving from Paris. Carrying pouches destined for posts on both routes, the Paris courier gave the Constantinople courier the pouches for Northern route posts and then headed south with the remaining pouches. The Constantinople courier took his newly received pouches and headed north, giving the Washington-bound pouches that he had collected on the Southern route to the Riga courier. The Riga courier, now having all pouches destined for Washington from the North and South portions of the route, headed for Paris to place the pouches in the Despatch Agent system.⁶⁸

Perhaps due to Bannerman's Postal Inspector background, Department officials asked him to study the courier service and then make recommendations, most of which the Department later adopted. Under Secretary of State Joseph Grew sent Bannerman to Europe to inspect the courier service in 1925, and Bannerman traveled the entire circuit, observing travel and rail station conditions, size and weight of pouches, rail connections, and possibilities for delays. He decided to separate the two routes, which ended the Vienna exchange and ultimately reduced the despatch/reply time by nearly two weeks. The Northern route became Paris-Brussels-The Hague-Berlin-Riga-Warsaw-Prague-Berlin-Copenhagen-Hamberg-Amsterdam-The Hague-Brussels-Paris. The Southern Route remained much the same, but Bannerman suggested different rail lines and sequence, reducing travel time and possibilities for delays. Bannerman also made clear that the Commerce Department had "confused" the courier service for a "fast freight service;" Department officials successfully pressed Commerce officials to limit their pouches to strictly confidential materials, a change that reduced the volume and weight of pouches substantially. Bannerman additionally recommended creating an "Aegean" route, which would operate between Paris, Rome, Tirana and Athens, as well as courier service for Mexico City, although neither apparently was implemented. Bannerman continued to review and fine-tune the courier service in the years after his recommendations were adopted in October 1925.

Bannerman's reforms of the courier service symbolized two important developments in U.S. diplomatic security. First, the Department of State's approach to security was increasingly characterized by specialization, which contrasted with the British Foreign Office's tendency toward flexibility. The British employed a "hub and spokes" courier system, with a few courier routes to major cities (e.g. Paris and Berlin) and several, short "feeder" routes transited by local couriers (likely post officers or clerks) to broaden the coverage of the service. When British couriers were not on their routes, they did code work for the Foreign Office. The Department of State, meanwhile, compartmentalized the courier function, incorporating more posts into large courier routes, and avoiding the use of local couriers. Furthermore, U.S. couriers were a separate entity from the code clerks and Special Agents.⁷²

The second development was the expansion of U.S. diplomatic representation overseas, which tilted the Department's struggle to balance security with cost efficiency strongly toward security. The Department focused upon improving its communications with its posts, which included increasing security and reducing transit time for correspondence. Bannerman expanded the Despatch Agent network by negotiating a contract with the Dollar Steamship Company to provide pouch services for U.S. Embassies and Consulates in Asia. Managed by the Despatch Agent in San Francisco, the new pouch service connected posts in Tokyo, Yokohama, Peking, Shanghai, Hong Kong, Singapore, Penang, and Colombo.⁷³ The Department also worked to improve mail service to U.S. Consulates in Suva, Nairobi, and Cairo.⁷⁴ The U.S. Post Office also gave the Department free airmail service for small confidential pouches to and from some Latin American posts. The Department further expanded the Despatch Agent network by adding weekly pouch service for the new U.S. Legations in Ottawa and Dublin.⁷⁵



Figure 16: Herbert O. Yardley. A former code clerk for the Department of State, Yardley founded a counter-intelligence code breaking office. Yardley later wrote about his experience in The American Black Chamber. His controversial book prompted Congress to pass Public Law 37, which makes it a felony to publish classified information related to U.S. encryption codes. Source: National Security Agency.

Bannerman, however, did express concern about the security of the Despatch Agent network; specifically, he questioned the employment of British citizens at the London Despatch Agent office. In fact, many of the London office's employees, including Despatch Agent Charles J. Petherick, were British citizens. Bannerman admitted in 1928 that as "a matter of principle, our most confidential mail to London should be handled by none but Americans." He acknowledged Petherick's faithful service (Petherick had 60 years of service to the Department), and confessed that Petherick was "the best informed and most efficient transportation officer of any I met abroad." However, Bannerman recommended that an American should be appointed as Despatch Agent in London upon Petherick's resignation or death. Petherick died in 1929, just eight weeks after Bannerman made his recommendation, and the Department appointed U.S. Consular officer John H. E. McAndrews as the U.S. Despatch Agent in London.⁷⁶

The 1929 Stock Market Crash and the subsequent Great Depression forced the Department of State to slash budgets, which significantly affected its correspondence, communications, and security. The

Depression prompted the Department to cut some couriers; and in 1933, it abolished most of the few remaining overseas courier services, despite protests from its overseas posts. With a note of nostalgia, Leslie Weisenberg of the U.S. Embassy in Paris lamented that "the swan song has been sung and the curtain rung down on the courier service." The Department's financial crunch was so severe that even when the French Government offered to transport diplomatic pouches free of charge from Le Havre to Paris, the U.S. Embassy could not afford the taxi fare needed to retrieve the pouches at the railroad station where the French promised to hold them. U.S. posts in Germany experienced similar cutbacks.⁷⁷

Yardley's "Black Chamber" also came to a grinding halt because of Depression-era budget cuts, despite deciphering more than 45,000 telegrams between 1917 and 1929. In 1929, the Department of State withdrew

its funding of Yardley's office. Unable to survive on Department of War funding alone, Yardley and his colleagues closed their office. Finding the whole enterprise of the Black Chamber distasteful, Secretary of State Henry L. Stimson either saw little need for counterintelligence, or perhaps believed that the Department of State should not become involved in counterintelligence lest it might compromise its fundamental mission of diplomacy. Stimson viewed himself "dealing as a gentleman with the gentlemen," and it was on this occasion that Stimson issued his oft-repeated pronouncement: "Gentlemen do not read each other's mail."⁷⁸

Yardley, struggling to support his family during the Depression, wrote his book The American Black Chamber and had it published in 1931. He described the clandestine work of the Department's now defunct cryptographic office, and revealed that gentlemen did read each other's mail. His book was an instant success around the world. In Japan, The American Black Chamber created a controversy as well as an embarrassing situation for the United States because Yardley exposed the extent to which the United States had intercepted and deciphered confidential Japanese Government messages. Yardley proposed writing a second book, focusing exclusively upon his work with Japanese codes. The Departments of State, Justice, and War worked to block this second work, and attorneys from the Department of Justice pressured Yardley's publisher to stop the project. Secretary of State Cordell Hull and other State Department officials urged Congress in 1933 to pass a law to prevent future disclosures. Congress moved quickly and passed Public Law (PL.) 37. Signed by President Franklin D. Roosevelt in June 1933, P.L. 37 made it a felony for a former U.S. Government employee to publish or to share confidential information pertaining to past or present diplomatic codes and confidential diplomatic correspondence.⁷⁹ Effectively blacklisted from future U.S. Government work involving confidential material, Yardley worked for foreign governments during the remainder of the Depression. He trained and organized cryptological bureaus for the Chinese from 1938 to 1940, and the Canadians from 1940 to 1941; the latter job ended when the Canadians and the British discovered his true identity. Returning to the United States, Yardley joined the Office of Price Administration in 1942, but never did code work again.⁸⁰

Conclusion M

Yardley's book, in some ways, was the most significant security breach of the era, and the Department of State's reaction demonstrates how sensitive Department officials had become to security since the start of World War I. Combined with the United States' rise as a world power, the expansion of the number of U.S. diplomats abroad, as well as an increase in the quantity, quality, and frequency of information considered confidential, World War I had transformed the Department's perception and approach to security. The question for Department officials throughout the period was not whether to employ security, but rather how much security they should employ. The immediate postwar desire to return to pre-war practices was fleeting, and senior Department officers implemented additional security measures and procedures throughout the 1920s. Although the Great Depression forced the Department to make cuts in security-oriented programs, those cuts reflected the depth of the Depression, not the

Department's indifference to security. By 1933, the balance between security and cost efficiency tilted clearly in favor of security. World War II would further press Department of State officials to expand the number of security measures, and extend security to other aspects of U.S. diplomacy as well.

Endnotes

- Joseph C. Grew, Turbulent Era: A Diplomatic Record of Forty Years, 1904-1945 2 volumes (Boston: Houghton Mifflin, 1952), Walter Johnson, ed., I: 131.
- David Paull Nickles ably describes the extensive nature by which the telegraph altered diplomacy by 1914, and how foreign ministers and diplomats did not sufficiently appreciate the depth of the telegraph's impact. Nickles, *Under the Wire: How the Telegraph Changed Diplomacy* (Cambridge, Mass.: Harvard University Press, 2003). Charles S. Campbell relates well the "transformation" of the United States from a continental power to a second tier international power. Campbell, *The Transformation of American Foreign Relations, 1865-1900* (New York: Harper and Row, 1976). For a description of the Department on the eve of World War I, see Rachel West, O.S.F., *The Department of State on the Eve of the First World War* (Athens: University of Georgia Press, 1978).
- The effort to codify diplomatic immunities and privileges was a post-World War I development. See J. Craig Barker, *The Protection of Diplomatic Personnel* (London: Ashgate Publishing, 2006), 53-61.
- 4 Diary entries for 1 and 3 August 1914, in Grew, Turbulent Era, 133, 135.
- Major William F. Friedman, U.S. Delegation to the International Radiotelegraph Conference of Washington, 1927: Report on the History of the Use of Codes and Code Language, the International Telegraph Regulations pertaining thereto, and the Bearing of this History on the Cortina Report (Washington D.C.: United States Government Printing Office [USGPO], 1928), 59. Note, Division of Western European Affairs, n.d. [6 August 1914], 119.2/94; Telegram, Thaddeus A. Thomson, U.S. Minister to Colombia, to Secretary of State, 17 August 1914, 119.2/100; Telegram, Walter Hines Page, U.S. Ambassador to Great Britain, to Secretary of State, 20 August 1914, 119.2/101; all Folder 1, Box 1077, Decimal File 1910-29, Records of the Department of State, Record Group 59, National Archives II, College Park, Maryland. Hereafter cited as DF 1910-29, RG 59, NA. For crossing enemy lines in Belgium, see Note "European War Telegraphic Bureau of the State Department," Division of Western European Affairs, 25 August 1914, Folder 1, Box 1077, DF 1910-1929, RG 59, NA. Telegram 276 "Pouch Service," William Thomas Fee, U.S. Consul at Bremen, to Secretary of State, 15 October 1914, 051.62/9, Folder 4, Box 363, DF 1910-29, RG 59, NA.
- 6 Diary entries for 2-11 August 1914, in Grew, Turbulent Era, 135-149.
- Jack Grover asserts that the two couriers in 1914 were the foundation of the Department of State's courier service and operated continuously until 1917. The two clerks, however, only operated as couriers temporarily and probably ceased carrying pouches in 1915 or 1916. By early 1917, with pouch service erratic, the U.S. Embassy in Vienna requested a permanent weekly courier, but this did not occur until late 1917. Telegram 1717, Frederic Courtland Penfield, U.S. Ambassador to Austria-Hungary (Pleasant A. Stovall, U.S. Ambassador to Switzerland), to Secretary of State, 21 February 1917, 051.51/25, Folder 2, Box 361, DF 1910-29, RG 59, NA. See Jack Grover, "None is Swifter Than These," Foreign Service Journal 31/2 (February 1954): 25-26; and "A Brief History of the U.S. Diplomatic Courier Service," Foreign Service Newsletter Number 80 (October 1953): 15-16.
- 8 Diary entry 5 August 1914, in Grew, Turbulent Era, 138. Telegram 954, Walter Hines Page, U.S. Ambassador to the Court of St. James, to Secretary of State, 31 October 1914, 121.67/5, and Telegram, Lansing to U.S. Embassy London, 3 November 1914, 121.67/5, both attached to Memorandum, William Walker Smith, Acting Chief for Division of Western European Affairs, to William Phillips, Third Assistant Secretary of State, 2 November 1914, Folder 3, Box 1164, DF 1910-29, RG 59, NA. Letter, Brand Whitlock, U.S. Minister to Belgium, to Henry van Dyke, U.S. Minister to

- the Netherlands, 17 January 1916, enclosed with Despatch #437, Marshall Langhorne, Chargé d'Affaires ad interim to the Netherlands, to Secretary of State, 21 March 1916, 121.67/55, Folder 3, Box 1164, DF 1910-1929, RG 59, NA. Telegram 3732, James W. Gerard, U.S. Ambassador to Germany, to Secretary of State, 10 April 1916, 051.62/32; and Memorandum, Roosa to Ben G. Davis, Chief Clerk, 19 September 1916, 051.61/32; both Folder 3, Box 363, DF 1910-29, RG 59, NA.
- Memorandum, C. J. Petherick, Deputy U.S. Despatch Agent London, to Secretary of State, 17 July 1916, Folder 5, Box 359, DF 1910-29, RG 59, NA. Frank Gurney, "Fifty Years in the Despatch Agency," *American Foreign Service Journal* 12 (1935): 402. Memorandum, Newton Crane, U.S. Despatch Agent London, to William Phillips, Third Assistant Secretary of State, 16 June 1916, 051.41/16; and Memorandum, Crane to Phillips, 17 July 1916, 051.41/19; both Folder 5, Box 359, DF 1910-29, RG 59, NA.
- The use of the term "Special" with the encryption code suggests that there was a variation to the code or perhaps a rule from the codebook's Holocryptic appendix had been used. Instruction, Robert Lansing, Secretary of State, to U.S. Embassy in Constantinople, 5 November 1914, 119.2/123a; and Telegram 100 "Telegrams," E. Carleton Baker, U.S. Consul at Chungking, China, to Secretary of State, 18 September 1914, 119.2/121, attached to Memorandum, Clarence E. Sisler, Clerk, to Herbert C. Hengstler, Chief of Consular Bureau, 6 November 1914; both Folder 1, Box 1077, DF 1910-29, RG 59, NA.
- Telegram 2866, Page to Secretary of State, 25 September 1915, 051.62/174, attached to Memorandum, Ben G. Davis, Chief Clerk, to David A. Salmon, Chief of Bureau of Indexes and Archives, 2 March 1923, Folder 5, Box 363, DF 1910-29, RG 59, NA. Robert Lansing, War Memoirs of Robert Lansing, Secretary of State (Indianapolis: Bobbs-Merrill, 1935), 73-78. Office of the National Counterintelligence Executive, A Counterintelligence Reader: An American Revolution into the New Millennium, Volume I: The American Revolution to World War II, Frank J. Rafalko, ed., pp. 89-102, http://www.ncix.gov/issues/CI_Reader/index.html, accessed 14 August 2009. Hereafter cited as NCIX, A Counterintelligence Reader, volume: page(s).
- Telegram 2722, Page to Secretary of State, 31 August 1915; and Translation of Letter, Dr. Constantin Theodor Dumba, Austrian Ambassador to the United States, to Baron István Burián, Foreign Minister, 20 August 1915, enclosed with Despatch 2112, Page to Secretary of State, 3 September 1915; both Foreign Relations of the United States 1915 Supplement (Washington D.C.: USGPO 1928): 932 and 936-937. Hereafter cited as FRUS 1915 Supplement, page(s). Lansing, War Memoirs, 63-66 (quotation is located on page 66).
- ¹³ Telegram 2866, Page to Secretary of State, 25 September 1915, 051.62/174. Telegram 2722, Page to Secretary of State, 31 August 1915. NCIX, *A Counterintelligence Reader*, I: 91-92, 94, 96. Lansing, *War Memoirs*, 71.
- Circular Telegram, William Jennings Bryan, Secretary of State, to Ambassadors and Ministers in European Countries, 1 August 1914, 300.11/8a; Robert Lansing, Acting Secretary of State, to Ambassadors and Ministers in European Countries, 12 September 1914, 138.4/27a; both FRUS 1914 Supplement, 722-723. President Wilson formalized passport regulations in a November 1914 executive order. See Executive Order (unnumbered) "Rules Governing the Granting and Issuing of Passports in the United States," President Woodrow Wilson, 13 November 1914, FRUS 1914 Supplement, 724-727.
- Department of State Circulars "New Passport Regulations," Bryan to U.S. Diplomatic and Consular Officers, 21 December 1914, FRUS 1914 Supplement, 728-731. President Wilson formalized these rules in January 1915. See Executive Order 2119-A "Rules Governing the Granting and Issuing of Passports in the United States," Wilson, 12 January 1915, enclosed with General Consular Instruction No. 383 "Termination, Extension, and Amendment of Passports, and Advice to Americans Traveling Abroad," Bryan to U.S. Diplomatic and Consular Officers (including Consular Agents), 8 February 1915, FRUS 1915 Supplement, 902-904.
- Executive Order No. 2285, Wilson, 15 December 1915; Executive Order No. 2286-A, Wilson, 17 December 1915; and Memorandum, Lansing to the Diplomatic Representatives of Foreign Governments, 23 December 1915; all FRUS 1915 Supplement, 911, 912-913, and 913-914.

- 17 Lansing, War Memoirs, 320-321.
- Letter, William McAdoo, Secretary of the Treasury, to the President, 16 April 1917, Box 522, Woodrow Wilson Correspondence, William McAdoo Papers, Library of Congress, Washington D.C. Hereafter cited as McAdoo Papers, LOC. Letter, Robert Lansing, Secretary of State, to Wilson, 20 November 1915, reprinted in NCIX, A Counterintelligence Reader, Vol. I, Chapter 3, p. 104.
- Lansing, War Memoirs, 84. Letter, McAdoo to Wilson, 16 April 1917, Folder McAdoo to W. Wilson, April 16, 1917, Box 522, McAdoo Papers, LOC.
- Letter, McAdoo to Wilson, 5 July 1917; Letter, McAdoo to Wilson, 17 April 1917; McAdoo to Wilson 6 July 1917; McAdoo to Wilson 9 July 1917; Wilson to McAdoo, 19 November 1917; and McAdoo to Wilson 22 November 1917; all Boxes 522-523, Woodrow Wilson Correspondence, McAdoo Papers, LOC. Folder titles correspond to date of letter.
- Lansing, War Memoirs, 318-319, 84. Entries for 4 April and 17 April 1916, Lansing's Appointment Book, Box 66, Robert Lansing Papers, LOC. Register of the Department of State, October 21, 1915 (Washington D.C.: USGPO, 1915), 18, 86. Register of the Department of State, December 15, 1916 (Washington D.C.: USGPO, 1916), 21. Tab "Problem 3: Discussion of Centralization of Security Functions within the Department," page 2, in Report "Study by Reorganization Task Force on Security of the Department of State, March 23, 1949," [No Folder], Box 13, Security Files 1932-63, Records of the Division of A/SY/Evaluations, RG 59 Lot 96D584, NA. David H. McCabe, "Mister Lansing's Secret Service," SY Focus III/4 (October 1977): 4. Interview with Robert L. Bannerman, in "Diplomatic Security: 75th Anniversary Program is on Tap for November 4," State Magazine, Number 391 (November 1991): 46 (hereafter cited "Robert L. Bannerman," State Magazine, 391: page).
- Lansing, War Memoirs, 318-319, 325. There are numerous letters between Harrison and Bell on security-related matters. See Correspondence of Leland Harrison with Edward Bell, 14 December 1916 8 July 1918, RG 59 Entry 348; Leland Harrison's General Correspondence, 1915-1918, RG 59-Entry 346; and the Classified Case Files of Edward Bell, 1917-1919, RG 59 Entry 350; all NA.
- 23 Agent Frank Burke led the ten-man team in New York City. See NCIX, A Counterintelligence Reader, I: 94. In Washington, the German Embassy was located at 1439 Massachusetts Avenue NW, and the Ambassador's residence was next door at 1435 Massachusetts. Register of the Department of State, December 15, 1916, 182.
- ²⁴ Although Lansing called it the "Bureau of Secret Intelligence," Harrison's group was never a formal bureau. It, instead, comprised a few people in the Office of the Counselor.
- Although Robert L. Bannerman claims the Chief Special Agent's office provided Lansing with the intelligence of the German Ambassador's message, Nye and the Secret Service squad conducted the surveillance of the German Embassy and provided the information to Secretary Lansing. Nye did not join the Department until after this incident. "Robert L. Bannerman," State Magazine, 391 (November 1991): 46. Robert L. Bannerman, "Early History of the Office of the Chief Special Agent, Department of State," n.d. [August? 1991], and "Robert Candlish Bannerman and Early History of the Office of the Chief Special Agent, Department of State," n.d. [August? 1991], both enclosed in "The Robert C. [sic] Bannerman Interview," conducted by George Payne, 20 August 1991, Folder Diplomatic Security History, Box Archives H-N, Bureau of Diplomatic Security Training Center, Dunn Loring, Virginia. Hereafter cited as DS TRACEN. Although this is marked as the "Robert C. Bannerman interview," Payne interviewed Robert L. Bannerman (ereafter cited as "The Robert [L.] Bannerman Interview"). NCIX, A Counterintelligence Reader, 94. Lansing, War Memoirs, 325.
- Robert L. Bannerman claims that it was the Chief Special Agent who tapped the German Embassy's lines; however, Bannerman may have blurred Nye's time as a Secret Service Agent working at the Department of State and Nye's tenure as the Chief Special Agent. The fact that Leland Harrison recruited and recommended Nye to Secretary Lansing suggests that Nye, as head of the Secret Service squad, reported to Harrison and Polk during the squad's temporary detail to the Department of State during 1916 and early 1917. See "Robert L. Bannerman," State Magazine 391: 46; and Lansing, War Memoirs, 84.

- ²⁷ Lansing, War Memoirs, 84. Robert [L.] Bannerman Interview, 20 August 1991. McCabe, "Mister Lansing's Secret Service," SY Focus III/4: 5.
- 28 Lansing, War Memoirs, 84-85. McCabe, "Mister Lansing's Secret Service," SY Focus III/4: 5. Memorandum, Robert C. Bannerman, Chief Special Agent, to Robert Woods Bliss, Third Assistant Secretary of State, 6 October 1921, Folder 75th Anniversary Historical Info, Large Box, Records of the Bureau of Diplomatic Security's 75Th Anniversary Celebration, DS TRACEN. Hereafter cited as 75th Anniversary Records.
- ²⁹ The War Department also turned to Post Office Inspectors to build an investigative unit. See Telegram, Nye to S. H. Morse, Post Office Inspector, San Francisco, n.d. [1918?], Folder M, Box 1, Special Agent Nye's Personal File, General Correspondence of the Chief Special Agent, 1918-1920, Records of the Office of the Counselor/Under Secretary/Chief Special Agent, RG 59 Entry 545, NA. Hereafter cited as Nye's Personal File. McCabe, "Mister Lansing's Secret Service," SY Focus III/4: 5.
- For a description of responsibilities and duties of Postal Inspectors of the late nineteenth and early twentieth centuries, see Daniel C. Roper, *The United States Post Office: Its Past Record, Present Condition, and Potential Relation to the New World Era* (New York: Funk and Wagnalls, 1917), 225-243.
- No evidence was found to support the claim that Nye paid his agent by personal check. Robert L. Bannerman, "A Brief History of the Office of the Chief Special Agent, Department of State," n.d. [August? 1991], enclosed in "The Robert C. [sic] Bannerman Interview," conducted by George Payne, 20 August 1991. Memorandum, Robert S. Sharp, Special Agent in Charge, New York Field Office, to Nye, 4 May 1918, Folder (A), Box 1, Nye's Personal File. McCabe, "Mister Lansing's Secret Service," SY Focus III/4: 5. Department of State Personnel and Organization, December 31, 1921 (Washington D.C.: USGPO, 1922), 23. Nye was not listed in the 1918 Register of the Department of State and the Department did not publish a register in 1919, 1920, or 1921. Memorandum "List of Special Agents of Department of State," Office of the Chief Special Agent, 8 April 1920, Folder Special Agents' Commissions, Correspondence relating to, Box 1, File of Chief Special Agent Robert C. Bannerman, Correspondence with Special Agents, 1918-1921, Office of the Counselor, Under Secretary, and Chief Special Agent, RG 59-Entry 546, NA. Hereafter cited as Robert C. Bannerman File.
- Letter, Lansing to Edward Smith, May 14, 1917, Volume 27, Papers of Robert Lansing, LOC. For coded telegrams with the yellow bar, see *passim*, Folders 3 and 4, Box 1044, and Folder 1, Box 1045, DF 1910-1929, RG 59, NA. For pouch invoices, see Despatch, George A. Bricklin, U.S. Consul, Bordeaux, France, to Secretary of State, 15 July 1918, 116.4/67, Folder 2, Box 1075, DF 1910-1929, RG 59, NA. For the change in placement of seals, see Despatch 310, Bricklin to Secretary of State, 17 April 1918, 116.4/49, Folder 2, Box 1075, DF 1910-1929, RG 59, NA.
- ³³ Ralph E. Weber, *United States Diplomatic Codes and Ciphers*, 1775-1938 (Chicago: Precedent Publishing, 1979), 247. For an example of uneven distribution of codes, see Telegram, Russell, U.S. Legation in Santo Domingo, to Secretary of State, 3 July 1918, 119.2/455, Folder 2, Box 1078, DF 1910-1929, RG 59, NA. For telegrams in a multiple codes, see *passim*, Folders 1 and 2, Box 1078, DF 1910-29, RG 59, NA. Telegram 3594, Osborne, Chargé d'Affaires to Denmark, to Secretary of State, 8 February 1919, Folder 1, Box 1079, DF 1910-1929, RG 59, NA.
- The creation of the "Diplomatic Courier Service" and its expansion in February 1918 pre-dates the origins as described by Jack Grover. Neither General John J. "Black Jack" Pershing nor Captain Amos Jenkins Peaslee, said by some to be the founder of the courier service, appears to have been involved in the formation of this courier service. Memorandum, Franklin D. Roosevelt, Acting Secretary of the Navy, to Secretary of State, 22 October 1917, 121.67/112; Telegram, Lansing (Frederick A. Sterling, Chief of Division of Western European Affairs) to U.S. Embassy Rome, 27 September 1917, 121.67/106, attached to Telegram 1097, Thomas Nelson Page, U.S. Ambassador to Italy, to Secretary of State, 24 September 1917, 121.67/106; Telegram, Lansing to U.S. Embassy London, 24 October 1917, 121.67/109a; and Memorandum, Josephus Daniels, Secretary of the Navy, to Secretary of State, 20 February 1918, 121.67/135; all Folder 4, Box 1164, DF 1910-1929, RG 59, NA. Sergeant Leo J. Daugherty III, USMCR, "'These Fine Smart Detachments': A History of the United States Marine Corps and the Department

- of State, 1799-2004," unpublished manuscript, 2004, pp. 113-114. Henry S. Waterman, "The American Courier," *American Foreign Service Journal* (/3 (March 1931): 120-121. Jack Grover, "None is Swifter Than These," *Foreign Service Journal* 31/2 (February 1954): 25.
- ³⁵ Telegram 1353, Henry P. Fletcher, U.S. Ambassador to Mexico, to Leland Harrison, 7 August 1918, 121.67/174; Telegram 1467, Fletcher to Secretary of State, 31 August 1918, 121.67/179; and Telegram 1651, Fletcher to Harrison, 30 October 1918, 121.67/200; all Folder 1, Box 1165, DF 1910-29, RG 59, NA. For the East Asia route, see Memorandum, Edward Bell, Chief of Division of Current Information, 9 March 1922 (memorandum seen by Fred Morris Dearing, Assistant Secretary of State, and Margaret M. Hanna, Assistant to the Second Assistant Secretary of State), 121.67/512, Folder 2, Box 1166, DF 1910-29, RG 59, NA.
- Letter, Charles Denby, Chief Clerk, to R. Newton Crane, U.S. Despatch Agent London, 21 February 1907, enclosed with Letter, Newton to Sterling, 5 October 1916, 111.8/40, Folder 3, Box 1047, DF 1910-29, RG 59, NA.
- The Department instructed the U.S. Despatch Agent's Office to use only U.S. vessels in transporting U.S. diplomatic pouches; however, Despatch Agent R. Newton Crane made clear that such an instruction was impractical given the Department's desire for speedy receipt of information. For the question of using only U.S. vessels for pouches, see Telegram, Lansing (Sterling) to U.S. Embassy London, 22 October 1917, 051.41/48a; and Letter, Crane to Secretary of State, 18 April 1918, 051.41/64; both Folder 1, Box 360, DF 1910-29, RG 59, NA. Henry S. Waterman, "The American Courier," *American Foreign Service Journal* (/3 (March 1931): 120-121. Memorandum, Roosevelt to Secretary of State, 22 October 1917, 121.67/112. Telegram, Lansing (Sterling) to U.S. Embassy London, 24 October 1917, 121.67/109a. Memorandum, Daniels to Secretary of State, 20 February 1918, 121.67/135.
- In 1899, Samuel Clemens, under the pen name Mark Twain, wrote an essay that sought to convince U.S. leaders that diplomatic expenses were a necessity for a rising power such as the United States. See Mark Twain (Samuel Clemens), "Diplomatic Pay and Clothes," *Forum*, March 1899, pp. 24-32. See also *The Complete Works of Mark Twain*, http://www.mtwain.com/Diplomatic_Pay_And_Clothes/0.html, accessed 14 August 2009.
- ³⁹ A History of the United States Diplomatic Courier Service: America's Couriers to the World, pamphlet prepared for the 75th anniversary of the courier service, Office of the Historian Files (hereafter cited as HO Files). Jack Grover, "A Brief History of the U.S. Diplomatic Courier Service," 15-16. Daugherty, "Those Fine Smart Detachments," 116-119.
- Letter, Nye to Robert S. Sharp, Special Agent-in-charge New York, 11 July 1918, Folder Sharp, Robert S. Special Agent [3]; Letter, Nye to Sharp, 10 October 1918, Folder Sharp, Robert S., Special Agent [3]; and Memorandum of Confidential Expenditures, Robert S. Sharp, Special Agent-in-Charge New York, 1 November 1918, Folder Sharp, Robert S., Special Agent [1]; all Box 2, Files of Chief Special Agent Robert C. Bannerman, Correspondence with Special Agents, 1918-1921, Records of the Office of the Counselor/Under Secretary/ Chief Special Agent, RG 59 Entry 546, NA (hereafter cited as Files of CSA Bannerman). Robert [L.] Bannerman Interview, "Robert Candlish Bannerman and Early History of the Office of the Chief Special Agent," p. 1.
- ⁴¹ Memorandum, Bannerman, Acting Chief Special Agent, to Polk, 9 January 1919, Fold (P) [1], Box 2, Special Agent Nye's Personal File, General Correspondence of the Chief Special Agent, 1918-1920, Records of the Counselor / Under Secretary / and Chief Special Agent, RG 59 Entry 545, NA (hereafter cited as Nye's Personal File). Letter, Sharp to Bannerman, 29 May 1918, attached to Confidential Memorandum, Sharp to Bannerman, 27 May 1918, Folder Sharp, Robert S., Special Agent [2], Box 2, Files of CSA Bannerman.
- For example, see Letter, Edward Bell, U.S. Embassy London, to Harrison, 1 January 1918; Letter "Decypher," Department of State to ZNG Officers, Sloterdyk, near Amsterdam, 26 July 1916; Letter #275 "Decypher," Department of State to ZNG Officers, Sloterdyk, 16 May 1916; Letter "Decypher," Department of State to H. Eisenhuth, Copenhagen, 9 May 1916; Telegram 5887, Lansing (Harrison) to Bell, 23 November 1916; all Folder #110 [2], Box 4, Classified Case Files of Edward Bell, 1917-1919, RG 59-Entry 350, NA.

- 43 Newspaper Clipping "Huns Back Hindu Plot: Secret Papers Involve Japanese and Chinese Statesmen," *Washington Post*, 29 February 1918, Folder Indian Conspiracy #4, Box 5, Leland Harrison's General Correspondence, 1915-1918, Papers of the Office of the Counselor and Chief Special Agent, RG 59-Entry 346, NA (hereafter cited as Harrison's General Correspondence).
- Letter, Harrison to Department of Justice, Office of Naval Intelligence (ONI) and Military Intelligence Section (MIS) [Army], October 31, 1917, Folder Gehrman, Delmar, etc. including Espionage [2]. Box 4, Harrison's General Correspondence.
- ⁴⁵ Grew, *Turbulent Era*, I: 131. James G. Thurber was referring to the Red Code, which was still in use in 1919. Thurber, "Exhibit X," *Foreign Service Journal*, 35/7 (July 1958): 19.
- William Phillips, *Ventures in Diplomacy* (Boston: Beacon Press, 1953), 113-114. For lock box use, see Memorandum, E. J. Ayers, Chief Clerk and Administrative Assistant, to Division Chiefs, 1 April 1927, 116.6/69, folder 2, Box 1076, DF 1910-29, RG 59, NA. David Kahn, *The Reader of Gentleman's Mail: Herbert O. Yardley and the Birth of American Codebreaking* (New Haven: Yale University Press, 2004), 98.
- The Army officers were: Maj. Amos Peaslee, 1st Lt. Joseph P. Sims; 1st Lt. Chester C. Darling, 1st Lt. Phillip Bekegriart, 1st Lt. Lon Homeir, 2nd Lt. H. J. Bailey, Capt. Edward P. Palmer, 1st Lt. Arthur D. Alexander, 1st Lt. Howard Osteriman, 1st Lt. Kenneth Patterson, 1st Lt. John J. Whitemore, 1st Lt., Samuel S. Reckefus, 1st Lt. Robert S. Hillyer, and 2nd Lt. Silas B. Egly.
- Telegram 51, Gordon Auchincloss, Assistant to the Counselor, to Frank L. Polk, Counselor of the Department, 5 November 1918, 119.2/807, Folder 1, Box 1080; Telegram 6186, Sharp to Secretary of State, 7 December 1918, 121.67/210, Folder 1, Box 1165; and Telegram 6594, Pole to U.S. Embassy Paris, 11 December 1918, attached to Telegram 6186, William G. Sharp, U.S. Ambassador to France, to Secretary of State, 7 December 1918, 121.67/210, Folder 1, Box 1165; all DF 1910-29, RG 59, NA. Telegram 2260, Joseph E. Willard, U.S. Ambassador to Spain, to Secretary of State, 27 December 1918, 121.67/216; and Telegram 6229, William G. Sharp, U.S. Ambassador to Spain, to Secretary of State, 11 December 1918, 121.67/211; both Folder 1, Box 1165, DF 1910-29, RG 59, NA. Grover, "None is Swifter Than These," Foreign Service Journal, 31/2: 26. Grover, "A Brief history of the U.S. Diplomatic Courier Service," Foreign Service Newsletter 80 (October 1953): 16.
- Memorandum "Instructions for Navy-State Department Cipher," n.d. (March 1921), enclosed with Memorandum, Henry P. Fletcher, Acting Secretary of State, n.d. (March 1921), Folder 4, Box 1093, DF 1910-29, RG 59, NA. Weber, United States Diplomatic Codes and Ciphers, 247-251. For the quarterly change in code tables, see Despatch 2468, Edwin V. Morgan, U.S. Ambassador to Brazil, to Secretary of State, 12 December 1925, 119.25, Folder 4, Box 1093; and Memorandum, Robert C. Bannerman, Chief Special Agent, to E. J. Ayers, Chief Clerk and Administrative Assistant, 5 December 1928, 051.41/607 ½, Folder 4, Box 360; both DF 1910-29, RG 59, NA. For separate codes, see Note "Codes for Lausanne Conference," Department of State to U.S. Legation Switzerland, 16 December 1922, 119.25/542, Folder 3, Box 1093, DF 1910-29, RG 59, NA. Memorandum, David A Salmon, Chief of Bureau of Indexes and Archives, to Fred Morris Dearing, Assistant Secretary of State, 4 November 1921, 119.25/485, attached to Note, Dearing to Salmon, 4 November 1921, Folder 5, Box 1093, DF 1910-29, RG 59, NA. Despatch 194, Rear Admiral Mark L. Bristol, United States High Commissioner at Constantinople, to Secretary of State, 11 May 1921, 119.25/449, Folder 5, Box 1093, DF 1910-29, RG 59, NA.
- Instruction, Charles Evans Hughes, Secretary of State (Henry P. Fletcher, Under Secretary of State), to Elbridge Gerry Greene, Chargé d'Affaires ad interim to Bulgaria, 7 September 1921, 119.25/359; and Despatch 928, C. Van H. Engert, Chargé d'Affaires ad interim to El Salvador, to Secretary of State, 7 September 1925, 119.25/630; both Folder 4, Box 1092, DF 1910-29, RG 59, NA.
- 51 Herbert O. Yardley, *The American Black Chamber* (Indianapolis: Bobbs-Merrill, 1931), 21-22. Kahn, *The Reader of Gentlemen's Mail*, 50-51, 73-74. For Yardley's work at MI-8, see Kahn, *The Reader of Gentlemen's Mail*, 50, 28-49; and Yardley, *American Black Chamber*, 37-230.

- Telegram 1239, Hugh Campbell Wallace, U.S. Ambassador to France, to Secretary of State, 7 August 1919, 121.67/286; and Telegram 9039, Lansing (Albert B. Ruddock, Bureau of Western European Affairs) to U.S. Embassy Paris, 18 August 1919, 121.67/286; both Folder 3, Box 1165, DF 1910-29, RG 59, NA. Statement of William R. Sands, Gunnery Sergeant, U.S. Marine Corps," Sands, attached to Memorandum, Theodore Roosevelt, Acting Secretary of the Navy, to Secretary of State, 26 March 1921, 121.67/435; and Memorandum, Ward A. Fitzsimmons, Assistant Chief of Bureau of Accounts, to Wilbur J. Carr, Director of the Consular Service, 18 November 1919, and Memorandum, Carr to William Phillips, Second Assistant Secretary of State, 19 November 1919, both attached to Memorandum, Philips to Clinton E. MacEachran, Assistant to the Under Secretary of State, 20 November 1919, 121.67/434; all Folder 1, Box 1166, DF 1910-29, RG 59, NA.
- For discontinuing the courier service, see Instruction #859, Robert Woods Bliss, Third Assistant Secretary of State, to Hugh C. Wallace, U.S. Ambassador to France, 3 June 1921, attached to Despatch 2347, Wallace to Secretary of State, 15 April 1921, 121.67/441, Folder 1; and Memorandum, Edward Bell, Chief of Division of Current Information, 9 March 1922, 121.67/512, Folder 2; both Box 1166, DF 1910-29, RG 59, NA.
- For reviving the courier service, see Despatch 2470, Myron T. Herrick, U.S. Ambassador to France, to Secretary of State, 20 October 1922, 121.67/551, attached to Memorandum, William McNeir, Chief of Bureau of Accounts, to Worthington E. Stewart, Acting Chief of Diplomatic Bureau, 4 November 1922, Folder 2; and Memorandum, Stewart to Bliss, 16 January 1923, 121.67/569, Folder 3; both Box 1166, DF 1910-29, RG 59, NA. For complaints about the national mail services in Central and Eastern Europe, see Telegram 586, Hugh Robert Wilson, Counselor of U.S. Embassy Berlin, to Secretary of State, 16 June 1921, 051.62/69; and Telegram 601, Wilson to Secretary of State, 27 June 1921, 051.62/70; both Folder 4, Box 363, DF 1910-29, RG 59, NA. Despatch 1316, H. Percival Dodge, Minister to the Kingdom of the Serbs, Croats, and Slovenes [Yugoslavia], to Secretary of State, 17 April 1922, 121.67/518, Folder 2, Box 1166, DF 1910-29, RG 59, NA.
- 55 Memorandum "Warren Commission Recommendation and Our Protective Services for Visiting Dignitaries," G. Marvin Gentile, Director of the Office of Security, to William J. Crockett, Deputy Under Secretary for Administration, 22 October 1964, Folder Policy File 1964, Box 5, Protective Security Policy Files 1962-68, RG 59-Lot 70D292, NA. Memorandum "Railroads and Mileage Traveled by the King of the Belgians' Special Train," Nye, [November?] 1919; and Telegram, Nye to Lansing, 17 October 1919; both Folder King Albert and Queen Elizabeth of Belgium Visit of 1919, Box 2, Files of Chief Special Agent Bannerman, Correspondence with Special Agents 1918-1921, RG 59-Entry 354, NA.
- 56 "Bill Nye Resigns Post," New York Times, 13 May 1920, p. 9. "Joseph M. Nye, 79, Aide to Presidents," New York Times, 18 May 1948, p. 23. Frank C. Higgins, Special Agent, to Sharp, 5 November 1925, Folder Prince and Princess Asaka of Japan 1925; and Memorandum "Visit to the United States of Prince and Princess Asaka of Japan, traveling incognito as Count and Countess Asa," W. A. Kenyon, Post Office Inspector, to Robert C. Bannerman, Chief Special Agent, 4 December 1925; both Folder Prince and Princess Asaka of Japan 1925, Box 1, Special Agent Correspondence Concerning Visits of Foreign Dignitaries, 1918-1927, RG 59-Entry 354, NA.
- For Special Agent protection and services for black diplomats, see documents related to the visit of Liberian diplomat Edwin Barclay in 1925, *passim*, Folder Barclay, Edwin, Secretary of State of Liberia, Visit of 1925, Box 2, Box 2, Files of Chief Special Agent Bannerman, RG 59 Entry 546, NA.
- 58 Memorandum "Warren Commission Recommendation and Our Protective Services for Visiting Dignitaries," Gentile to Crockett, 22 October 1964. Memorandum "Visit to the United States of Prince and Princess Asaka of Japan, traveling incognito as Count and Countess Asa," Kenyon to Bannerman, 4 December 1925.
- 59 "Bill Nye Resigns Post," New York Times, 13 May 1920, p. 9. "Joseph M. Nye, 79, Aide to Presidents," New York Times, 18 May 1948, p. 23. TAB 2 "History of Security Organization" of Report "Study by Reorganization Task Force on Security of the Department of State," 23 March 1949, [No folder], Box 13, A/SY/Evaluations Security Files, 1932-1963, RG 59, NA. "Memorandum "U-2: Liaison," [Robert C. Bannerman?], n.d. [1925], Folder #205, Box 10, Classified Records of the Office of the Counselor, 1916-1927, RG 59-Entry 344, NA. Memorandum "List of Special Agents of Department of State," Bannerman [?], 8 April 1920.

- TAB 2 "History of Security Organization" of Report "Study by Reorganization Task Force on Security of the Department of State," 23 March 1949. Letter, Sharp to Bannerman, 28 December 1923, Folder #209, Box 12, Classified Records of the Office of the Counselor, RG 59-Entry 344, NA. For leaks to the press, see Memorandum, Bannerman to William H. Beck, Assistant to the Secretary of State, 25 April 1922, 116.8/40, Folder 3, Box 1076, DF 1910-29, RG 59, NA. For the theft investigation centered upon Robert S. Clayton, Chief Clerk of the Mail Room, see Memorandum, Bannerman, n.d. [June 1925], 111.36; Memorandum "Real Estate Transactions of Robert S. Clayton," Bannerman, n.d. [June 1925; Memorandum "Report of Clayton Case," Bannerman to J. Butler Wright, Assistant Secretary of State, 17 June 1925, 111.36, attached to Memorandum, Wright to Joseph C. Grew, Undersecretary of State, 13 June 1925; all Folder 1, Box 1044, DF 1910-29, RG 59, NA.
- 61 For examples, see Telegram, Barclay (Bannerman) to Postmaster, Yankton, South Dakota, 21 June 1926; Telegram, Barclay (Bannerman), to Postmaster, San Antonio, Texas, 8 March 1926; Telegram, Barclay (Bannerman) to Postmaster, Portland, Maine, 5 October 1926; Telegram, Barclay (Bannerman) to Postmaster Mobile Alabama, 22 August 1927; Telegram, Barclay (Bannerman), to Postmaster, Austin, Minnesota, 28 October 1927; all Folder #208, Box 12, Classified Records of the Office of the Counselor, RG 59-Entry 344, NA.
- Report, Robert C. Bannerman, 5 December 1921; and Letter, S. C. Lawrence, British Embassy Washington, 14 October 1921; both Folder #207 [1], Box 10, Classified Records of the Office of the Counselor, 1916-1927 RG 59-Entry 344, NA.
- 63 Memorandum, Robert S. Sharp, Special Agent-in-Charge New York Field Office, to Hall Kinsey, Acting Chief Special Agent, 13 July 1925, attached to Memorandum, Sharp to Kinsey, 21 July 1925, Folder Wiseman, Sir William Report on Activities, Box 2, Files of Chief Special Agent Bannerman, RG 59 Entry 546, NA. Oral History Interview, Robert L. Bannerman, State Magazine Number 349 (November 1991), 46. For the new visa and passport laws, see 39 Stat. 894, 40 Stat. 1012, and 41 Stat. 1008.
- 64 LeRoy A. Mullen, Special Agent, to Robert S. Sharp, Special Agent in Charge, New York Field Office, 8 December 1926; Mullen to Sharp, 29 October 1926; and Mullen to Sharp, 9 November 1926; all Folder #210, Box 12, Classified Records of the Office of the Counselor, RG 59-Entry 344, NA. "A History of Security in the Department of State," n.d. [April, 1954], Folder Security Booklet 1-E, Box 11, Miscellaneous DF 1953-56, Records of the Bureau of Security and Consular Affairs, RG 59-Lot 57D254, NA.
- 65 Report on the Courier Service, Robert C. Bannerman, Chief Special Agent, to J. Butler Wright, Assistant Secretary of State for Administration, 2 April 1924, 121.67/603, Folder 3, Box 1166; Telegram 14, Johnson, U.S. Minister to Bulgaria, to Secretary of State, 4 May 1923, 121.67/567, Folder 3, Box 1166; Telegram 10, Louis A. Sussdorff, Chargé d'Affaires ad interim to The Netherlands, to Secretary of State, 1 February 1923, Folder 2, Box 1166; Despatch 150, William Phillips, U.S. Ambassador to Belgium, 24 October 1922, 121.67/553, Folder 2, Box 1166; Telegram 181, Henry P. Fletcher, U.S. Ambassador to Italy, to Secretary of State, 28 December 1925, 051.65/26, Folder 2, Box 364; and Memorandum "Excerpt from Letter of Mr. Grant-Smith to Mr. Harrison, dated 22 October 1924," n.d. [November? 1924], 121.67/615, Folder 3, Box 1166; all DF 1910-29, RG 59, NA.
- 66 Despatch 4662, Whitehouse to Secretary of State, 12 December 1924, 051.51/88, Folder 3, Box 361; Memorandum, J. W. Janicki, Department of State Courier, to G. Harlan Miller, Secretary of U.S. Embassy Paris, 28 November 1924, enclosed with Despatch 4662, Whitehouse to Secretary of State, 12 December 1924, 051.51/88; Memorandum, F. R. Eldridge, Liaison Officer of Department of Commerce, to Carr and Bannerman, 15 January 1925, 051.51/89, Folder 3, Box 361; and Memorandum, Belin to J. Butler Wright, Assistant Secretary of State, 12 January 1925, attached to Telegram 7, Fletcher to Secretary of State, 6 January 1925, 121.67/611, Folder 3, Box 1166; all DF 1910-29, RG 59, NA.
- 67 Memorandum, Hengstler to Carr, 12 March 1926, FW 121.67/644, Folder 4; Memorandum, Edwin C. Wilson, Assistant to the Assistant Secretary for Administration, 22 July 1925, 121.67/651, Folder 4; and Letter, G. Harlan Miller, Second Secretary at U.S. Embassy Paris, to F. Lamott "Mott" Belin, Assistant to the Assistant Secretary of State for Administration, 26 December 1924, 121.67/616, Folder 3; all Box 1166, DF 1910-29, RG 59, NA.
- Memorandum "Comments on Mr. Bannerman's Two Memoranda," Sheldon Whitehouse, Counselor of the U.S. Embassy Paris, n.d. [May 1924], enclosed with Letter, Whitehouse to F. Lamott Belin, Assistant to the Assistant Secretary of State,

- 24 May 1924, 121.67/605; and Report on the Courier Service, Bannerman, 2 April 1924, 121.67/603. Memorandum, Bannerman to Wright, 23 April 1924, 121.67/604; both Folder 3, Box 1166, DF 1910-29, RG 59, NA.
- 69 Letter, Joseph C. Grew, Acting Secretary of State, to Bannerman, 8 July 1925, 121.67/645f; Letter, Bannerman to Whitehouse, 8 July 1925, 121.67/645a ½; and Memorandum, Bannerman to Whitehouse, 25 September 1925, 121.67/645a; all Folder 4, Box 1166, DF 1910-29, RG 59, NA.
- ⁷⁰ For Bannerman's changes to the courier service, see Memorandum, Bannerman to Belin, 19 June 1924, 121.67/606, Folder 3; and Memorandum, Bannerman to Whitehouse, 25 September 1925, 121.67/654a, Folder 4; both Box 1166, DF 1910-29, RG 59, NA. Memorandum, Bannerman to Wright, 2 April 1924, 121.67/603. Memorandum, Bannerman to Wright, 23 April 1924, 121.67/604. For the Department of Commerce reducing mails, see Memorandum, Hengstler to Carr, 12 March 1926, FW 121.67/644, folder 4, Box 1166, DF 1910-29, RG 59, NA.
- Memorandum, Bannerman to Belin, 5 December 1924, 121.67/614, Folder 3, Box 1166; Memorandum, Bannerman to Edwin C. Wilson, 1 December 1925, 121.67/674, Folder 4, Box 1166; and Memorandum, Bannerman to Hengstler, 7 February 1927, 051.60c/14, Folder 1, Box 363; all DF 1910-29, RG 59, NA.
- ⁷² For the British courier system, see Despatch 1160, Frederick A. Sterling, Chargé d'Affaires ad interim to Great Britain, to Secretary of State, 7 April 1925, 121.67/630, Folder 4, Box 1166, DF 1910-29, RG 59, NA. Oral History Interview, Bruce Matthews, 17 February 2006, conducted by Mark Hove, p. 7.
- Memorandum, Bannerman to Hengstler, 8 December 1924, 051.01/91, attached to Memorandum, Belin to Hengstler, 10 December 1924, 051.01/91, Folder 2; and Letter, Bannerman to Joseph F. Roberts, U.S. Despatch Agent San Francisco, 12 January 1927, attached to Memorandum, J. Brent Clarke, Chief Clerk of Mail Room, to Hengstler, 6 January 1927, 051/135, Folder 4; both Box 351, DF 1910-29, RG 59, NA.
- For Nairobi and Cairo, see Despatch 129 "Routeing [sic] of Official Mail for East Africa," Avra M. Warren, U.S. Consul to Kenya Colony, 21 May 1925, attached to Memorandum, Bannerman to Hengstler, 29, June 1925, 051.48t/4; Memorandum, Bannerman to Hengstler, 12 March 1925, 051.48t/3; and Instruction, Wright to Warren, 20 March 1925, 051.48t/3; all Folder 2, Box 361, DF 1910-29, RG 59, NA. Memorandum, Bannerman to Belin, 5 December 1924, 121.67/614. For Suva, see Memorandum, Bannerman to Henry A. Havens, Assistant Chief of Division of Foreign Service Administration, 25 October 1927, 051.62m/2, attached to Memorandum, Havens to Clarke, 25 October 1927, Folder 1, Box 364, DF 1910-29, RG 59, NA.
- Memorandum "Personal Mail in Air Mail Sacks," Wilbur J. Carr, Assistant Secretary of State, to Certain American Diplomatic and Consular Officers, 17 January 1931, 051.04/29A, attached to Memorandum "Enclosures," G. Howland Shaw to American Diplomatic and Consular Officers, 9 December 1943, 124.0664/229C, Folder 124.0664/221-12-2744, Box 648, DF 1940-44, RG 59, NA. Memorandum, Bannerman to Hengstler, 28 June 1927, 051.42/-; Despatch 47, H. Dorsey Newsom, Chargé d'Affaires ad interim to Canada, to Secretary of State, 15 August 1927, 051.42/4; and Despatch 5, Frederick A. Sterling, U.S. Minister to Ireland, to Secretary of State, 9 August 1927, 051.41d/-, Folder 4, Box 360, DF 1910-29, RG 59, NA.
- J. B. Gilder, "Sixty Years of Service," New York Times, 6 June 1928. Gurney, "Fifty Years in the Despatch Agency," American Foreign Service Journal, 12 (1935): 400. Memorandum, Bannerman to Ayers, 5 December 1928, 051.41/607 ½, Folder 4, Box 360, DF 1910-29, RG 59, NA. Memorandum, William R. Castle, Jr., Assistant Secretary of State for European and Near Eastern Affairs, 2 July 1928, 051.41/603 ¾, Folder 4, Box 360, DF 1910-29, RG 59, NA.
- ⁷⁷ Letter, Leslie Weisenberg, U.S. Embassy Paris to Hengstler, 21 July 1933, 121.67, Box 336, DF 1930-1939, RG 59, NA. Despatch 1190 from Stuttgart, August 23, 1933, DF 1930-1939, 121.67, Box 336, RG 59, NA.
- ⁷⁸ Stimson quoted in Kahn, *The Codebreakers*, 360.
- ⁷⁹ Letter, Cordell Hull, Secretary of State, to Senator Key Pittman, Chairman of Committee on Foreign Relations, 119.25, Box 263, DF 1930-1939, RG 59, NA. Kahn, *The Reader of Gentlemen's Mail*, 158-172.
- 80 Kahn, The Reader of Gentlemen's Mail, 187-225.