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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Winter

DATE: 10/18

FROM : E. J. Jasso

SUBJECT: Hidalgo, Balme N. - Jr.

Recommend we proceed to clarify this case with a view toward conclusion.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Personnel Security Division

DATE: 10 October 1955

FROM : Chief, Clearance Branch

SUBJECT: HIDALGO, Balmes Nieves, Jr. - #65077

The subject person is under consideration for conversion from contract employee to staff employee in [Panama City, Panama]

Subject is a 36 year old married man who has been with the Agency under contract since early 1952. He was investigated by SSD prior to that employment and was polygraphed with favorable results in early 1952.

The key item in this case is his having served the FBI as a member of the Communist Party from August 1946 until May 1949 when he was surfaced for the purpose of testifying against the eleven leaders of the Communist Party.

Subject's service to the FBI was described by the FBI in a memorandum dated in January 1951 which was furnished to the Army in very favorable terms. The FBI stated that while serving them "he furnished much valuable information" and was considered "a valuable informant." In a statement furnished to the Agency in November 1951 at the time we were checking on Subject, the FBI gave us the same information. Since the date Subject was employed by the Agency several inquiries have been received from the FBI and from the Immigration and Naturalization Service. These requests concern the availability of Subject to the Bureau and to the Immigration and Naturalization Service for interview and for testifying.

Subject's membership in the Party and his service to the FBI were known prior to his being employed. He attached a statement to his Personal History Statement in which he stated that in October 1946 he was approached by certain functionaries of the Communist Party who urged him time and again to join the Communist Party. He said that finally in November 1946 he arranged an interview with the FBI and following that interview agreed to join the Party for the FBI.

As stated above, Subject rendered valuable service to the FBI. SSD reports that his services with CIA have been satisfactory. These favorable statements, however, are insufficient to answer a question which has not been answered in the investigative material available as to why Subject was approached by the Communist Party to join the Party and why they were, as Subject reports, so insistent upon his joining. At the time he joined the Party he was serving as a correspondence clerk in a wholesale food company in New York City. It is possible that an answer exists in the fact that the FBI states that Subject was of interest to them from August 1946 on, while Subject states that he did not contact the FBI until November of 1946. The possibility exists that in the three months gap noted, Subject may have been laying, at the request of the FBI, the ground work for the contact by the Party.

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It is recommended, therefore, that this matter be discussed with Mr. Papich to determine if the FBI ever explored and was satisfied as to Subject's conduct or activities prior to his being contacted by the Communist Party functionaries.

W. A. Osborne