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**Letter to Lewis J. Baley,  
Chief of the Bureau of Investigation,  
from Col. Matthew C. Smith,  
Chief of the Negative Branch,  
Military Intelligence Division, War Dept.  
March 18, 1921.**

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March 18, 1921.

Mr. L.J. Baley,  
Chief, Bureau of Investigation,  
Department of Justice,  
Washington, DC.

My dear Mr. Baley:

The following extract from a report concerning the Trade Union Educational League is quoted for your information:

William Z. Foster, commenting on the unemployment conference of the Chicago Federation of Labor on February 27 [1921], stated such bodies will be more effective when the Federation organization is reconstructed and district groups are given autonomy to strike as grievances exist instead of being bound together by separate craft International organizations. He does not, however, believe there is much chance of disrupting the AF of L structure. He is not receiving much encouragement with his Trade Union Educational League, and is having difficulty in getting the support he expected for his *Labor Herald*. He attributed the slow development of both to the business depression. Nevertheless he is still working toward the establishment of his ideas and is being actively assisted by Sam Carr, President of International Typographical Union No. 16, S.T. Hammersmark, and J.W. Johnstone.

Relative to the contemplated plan of organizing a counterespionage system in the ranks of the labor unions, Foster is of the opinion that

active work can be begun on the proposition very shortly it is reported. He said the Farmer-Labor Party and the Amalgamated Clothing Workers are at present maintaining such organizations and their efforts are to be coordinated. Their purpose is to check up on the detective agencies and employers' bureaus and destroy their sources of information in the unions.

Very truly yours,

For the Director,  
Military Intelligence Division,

*Matthew C. Smith,*  
Colonel, General Staff,  
Chief, Negative Branch.

*Edited by Tim Davenport*

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