

~~SECRET~~

NO FOREIGN DISSEM
CIA INTERNAL USE ONLY

STUDIES IN INTELLIGENCE



SUPPLEMENT

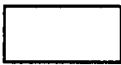
check

VOL. 17 NO. 2-S

SUMMER 1973

CENTRAL INTELLIGENCE AGENCY

ARCHIVAL RECORD
PLEASE RETURN TO
AGENCY ARCHIVES, BLDG.



№ 924

25X1

~~SECRET~~

SECURITY PRECAUTIONS

Materials in the *Studies* are in general to be reserved to US personnel holding appropriate clearances. The existence of this journal is to be treated as information privy to the US official community. All copies of each issue beginning Summer 1964 are numbered serially and subject to recall.



25X1

All opinions expressed in the *Studies* are those of the authors. They do not necessarily represent the official views of the Central Intelligence Agency or any other component of the intelligence community.

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws Title 18, USC, Secs. 793 and 794, the transmission or revelation of which to an unauthorized person is prohibited by law.



25X1

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET
NO FOREIGN DISSEM

STUDIES IN INTELLIGENCE

EDITORIAL POLICY

Articles for the Studies in Intelligence may be written on any theoretical, doctrinal, operational, or historical aspect of intelligence.

The final responsibility for accepting or rejecting an article rests with the Editorial Board.

The criterion for publication is whether or not, in the opinion of the Board, the article makes a contribution to the literature of intelligence.

EDITOR

[REDACTED]

EDITORIAL BOARD

[REDACTED]

DAVID S. BRANDWEIN
RICHARD LEHMAN

[REDACTED]

LAWRENCE R. HOUSTON

BRUCE C. CLARKE, JR.
WAITER L. PFORZHEIMER

Additional members of the Board are drawn from other CIA components.

SECRET
NO FOREIGN DISSEM

25X1

25X1

25X1

SECRET
NO FOREIGN DISSEM
CIA INTERNAL USE ONLY

CONTRIBUTIONS

Contributions to the *Studies* or communications to the editors may come from any member of the intelligence community or, upon invitation, from persons outside. Manuscripts should be submitted directly to the Editor, *Studies in Intelligence*, Room 2E49, Hq. [] and need not be coordinated or submitted through channels. They should be typed in duplicate, double-spaced, the original on bond paper. Footnotes should be inserted in the body of the text following the line in which the reference occurs. Articles may be classified through *Secret*. Periodic supplements, separately distributed, can accommodate articles of higher classifications.

25X1

DISTRIBUTION

For inclusion on the regular *Studies* distribution list call your office dissemination center or the responsible Central Reference Service desk, [] For back issues and on other questions call the Office of the Editor, []

25X1

THE STUDIES IN INTELLIGENCE AND SHERMAN KENT AWARDS

An annual award of \$500 is offered for the most significant contribution to the literature of intelligence submitted for publication in the *Studies*. The prize may be divided if the two or more best articles submitted are judged to be of equal merit, or it may be withheld if no article is deemed sufficiently outstanding. An additional \$500 is available for other prizes.

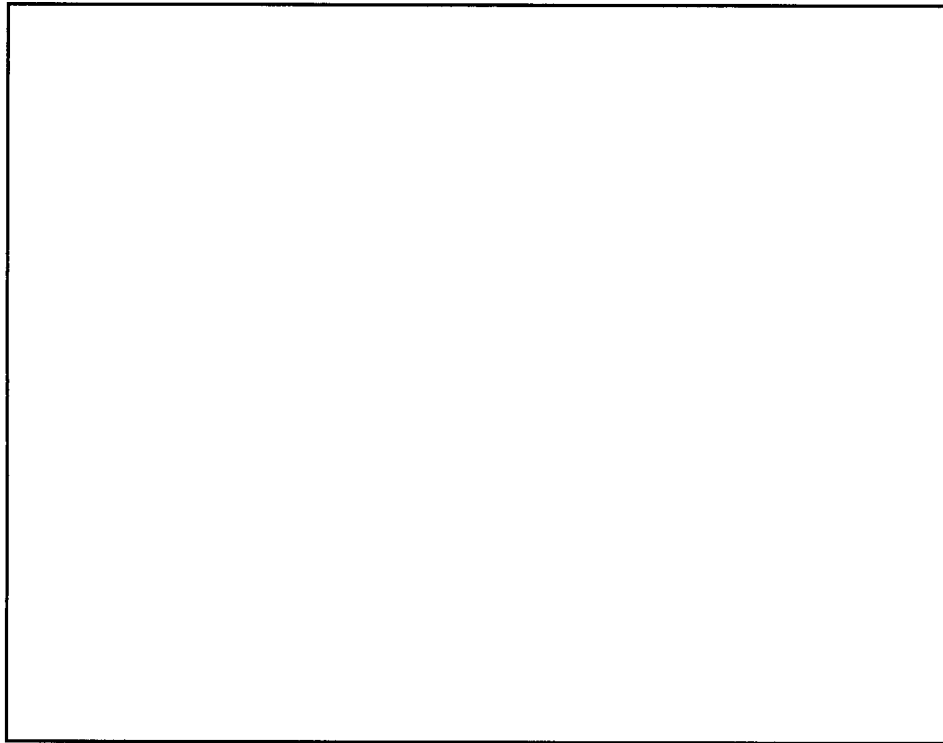
Except as may be otherwise announced from year to year, articles on any subject within the range of the *Studies*' purview, as defined in its masthead, will be considered for the awards. They will be judged primarily on substantive originality and soundness, secondarily on literary qualities. Members of the *Studies* editorial board and staff are of course excluded from the competition.

The editorial board will welcome readers' nominations for awards but reserves to itself exclusive competence in the decision.

SECRET

NO FOREIGN DISSEM
CIA INTERNAL USE ONLY

CONTRIBUTORS TO THIS ISSUE



25X1

SECRET

NO FOREIGN DISSEM

CIA INTERNAL USE ONLY

SECRET

NO FOREIGN DISSEM
CIA INTERNAL USE ONLY

CONTENTS

	<i>Page</i>	
Office of Policy Coordination, 1948-1952.....	1	25X1
<i>"...such other functions and duties...as the NSC may from time to time direct." SECRET CIA INTERNAL USE ONLY</i>		
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>		25X1
The Organization of the Clandestine Services.....	Ludwell Lee Montague 25	
<i>From OSO and OPC to the Clandestine Services</i>		
SECRET CIA INTERNAL USE ONLY		

SECRET

NO FOREIGN DISSEM

“ . . . such other functions and duties . . .
as the NSC may from time to time direct.”

OFFICE OF POLICY COORDINATION, 1948–1952¹

[REDACTED] 25X1

This history of the Office of Policy Coordination (OPC) begins with its establishment on 1 September 1948 and ends on 1 August 1952, when it was merged with the Office of Special Operations (OSO) into a combined directorate which became known as the Clandestine Services of the Central Intelligence Agency (CIA). As a consequence of this fixed date of termination, many of the developments chronicled in this work may appear to halt in midflight. On the other hand, it is to be expected that the history of the Clandestine Services will pick up the pace and resume the continuity where the histories of OPC and OSO end. Although this history of OPC is presented insofar as possible as a completed work, it is in the last analysis only an episode in the account of the parent service.

Accounts of OPC's field operations during this period presumably are to be set forth in the historical papers of the various area divisions, stations, and bases concerned. While the OPC genealogical tree had many branches, the hardest limb can be said to be the Covert Action (CA) Staff of the Clandestine Services. Certain of the international operations initiated by OPC are being chronicled separately by this staff and can be expected to include an account of the OPC role.

25X1C

[REDACTED]

In view of these ancillary efforts this work tends, therefore, to concentrate on the flowering of the CA headquarters.

OPC's Cold War Background

The Russian-actuated Communist movement gathered a great deal of momentum in the era immediately following World War II, slipping stealthily into the political vacuums created by the toppling of the German, Italian, and Japanese fascist movements. As a result of shifts in power after the war, Russia looked upon the United States as the leader of an opposite camp. Within Communist ideology, democracy was an ultimate target for destruction. A

¹This is the introductory—and summary—chapter of [REDACTED] monumental history of OPC: three volumes which total 722 pages with an additional three appendices and another two volumes with 11 attachments. Source citations, most of which were omitted from the introduction to appear in the more detailed chapters, have also been omitted from *Studies* but may be consulted in the original [REDACTED]. For purposes of consistency, organizational names are rendered as they appeared during the period described, e.g., Clandestine Services and DDP.

25X1

25X1

whole series of inimical actions engineered from Moscow served to engender a state of apprehension within the American body politic.²

In September 1946 an important state paper was prepared by Mr. Clark M. Clifford, an aide to President Harry S. Truman, on the subject of U.S. relations with the Soviet Union. It supplied the President with a highly detailed review of the wartime relationship with the USSR. More importantly, as it turned out, it charted the postwar prospect with startling prescience, outlining the shape and thrust of Truman's subsequent programs, namely: the Greek-Turkish aid legislation or Truman Doctrine; the Marshall Plan; and the North Atlantic Alliance. Clifford's memorandum summarized the situation as follows:

The gravest problem facing the United States today is that of American relations with the Soviet Union. The solution of that problem may determine whether or not there will be a third World War. Soviet leaders appear to be conducting their nation on a course of aggrandizement designed to lead to eventual world domination by the USSR. Their goal, and their policies designed to reach it, are in direct conflict with American ideals, and the United States has not yet been able to persuade Stalin and his associates that world peace and prosperity lie not in the direction in which the Soviet Union is moving, but in the opposite direction of international cooperation and friendship.

Postwar U.S. foreign policy, shaped by aims toward world peace, awakened only slowly to the danger of the Russian threat at home and abroad. At home, a tocsin was sounded in 1948 by the exposure of the extent of the Russian espionage that had been conducted in the United States. Featured prominently in all of the media was the indictment of Mr. Alger Hiss of the Department of State. The related confessions of Mr. Whittaker Chambers and Mrs. Elizabeth Bentley were disconcerting disclosures of the perfidy of a wartime ally.

Overseas, the organization of the Communist Information Bureau (Cominform) in September 1947 marked a resumption of the process of international revolution which purportedly had been discarded by the dissolution of the Communist International (Comintern) in 1943. This subversive formation was viewed by the American people as a portent of aggressive Russian intentions.

The Communist efforts to disrupt the political-economic system of the western world were reaching a crescendo by 1948. France and Italy were beleaguered by a wave of Communist-inspired strikes. Italy was facing its first national election and the threat of a Communist victory. Greece was fighting the Communist guerrillas in its northern provinces.

The Communist coup in Czechoslovakia in February 1948 was followed by a total blockade of Berlin and its subsequent relief by American airlift. In China, the defeat of the Nationalists by the Communist armies was impending. In the Philippines, the Government was under continuing guerrilla attacks by the Communist Hukbalahaps.

U.S. leaders were convinced that the Russian regime and its satellite satraps were completely untrustworthy and, as later voiced by Premier Nikita S. Krushchev, out to "bury" the Americans. There was ample evidence to conclude that Russia aimed at hegemony over the industrial potential of Germany, France, Italy, and all of Europe. It was apparent that the Cominform was preparing to capitalize in the undeveloped countries on the political uncertainties brought

² Modern day gurus often refer to those years as the "McCarthy era." As a consequence, his political reprehensibility is generally projected without adequate exposition of the unallayed anxiety that existed at the time in the public mind because of the aggressive actions of the USSR. To some, the manipulations of Senator Joseph McCarthy appeared more as a product of the existing public trepidation than as a cause of it as alleged by others.

about by the voluntary and involuntary decolonization of territories previously occupied by the European powers.

U.S. Prepares for Confrontation

With the imminent end of U.S. nuclear monopoly following the explosion of an atomic bomb by the USSR in 1949, the U.S. leaders did not know how far Russia might go to attain its objectives. With the Truman Doctrine as a takeoff point, U.S. national policy came out in favor of the containment of Communism. This, of course, amounted to a decision to bring about a political confrontation with the Russians.

It was to be a peaceful confrontation; but should Russia react with hostile moves, it was deemed prudent that the United States should quietly prepare itself for any eventuality (1 July 1952 was a target date frequently mentioned). Diplomatic and economic measures would be the means of outright confrontation. The Marshall Plan and the North Atlantic Treaty followed on the heels of the Greek-Turkish aid provided under the Truman Doctrine; but it was recognized that these measures could have little lasting impact unless the subversive aggression of Communism could be halted.

To gain ascendancy, alternatives to the Communist ideology would require the strengthening and building of institutions of independent thought. At the same time, individuals and groups abroad motivated by political aspirations contrary to those of the Communists had few resources to advance their cause. They would need a strong source of secret support, financial, material and moral. It had to be secret to allay possible charges of foreign political meddling which might defeat the very purpose of the support. If covert aid of this sort were not forthcoming from the United States, it appeared that the Cominform might proceed unhampered in its program to envelop the world with Communist ideology.

To this end the United States decided to stem Soviet underground subversive operations and to create a clandestine agency for that purpose. This would have to be a new organization in order not to militate against the clandestine collection of intelligence and counterintelligence already assigned to the Central Intelligence Agency (CIA) by the National Security Act of 1947. On 18 June 1948, by directive of the National Security Council (NSC), the task of confrontation on the clandestine front was assigned to the Office of Policy Coordination (OPC), then called the Office of Special Projects. OPC was formally established on 1 September 1948 and continued operating until its 1 August 1952 merger with OSO into a combined directorate which became the CIA Clandestine Services.

The OPC Charter

The NSC directive which created OPC in 1948 gave it a loose charter to undertake the full range of covert activities incident to the conduct of secret political, psychological, and economic warfare together with preventive direct action (paramilitary activities)—all within the policy direction of the Departments of State and Defense. This authority superseded a previous and much more limited directive whereby the Office of Special Operations (OSO) was to engage in certain secret psychological activities along with its existing commitments for the conduct of espionage and counterespionage. The new 1948 directive took cognizance of "the vicious covert activities of the USSR" and reflected the high state of arousal existing in U.S. Government circles at that time.

OPC was placed in CIA alongside OSO with an adjuration by the NSC that it was to operate as independently of the other offices of CIA as efficiency would permit. The head of OPC, Assistant Director of CIA for Policy Coordination (ADPC), was to be nominated by the Secretary of State (General George C. Marshall at the time) on the basis that he was to be acceptable to the Director of Central Intelligence (DCI) and appointed by the NSC. The appointment was made in the summer of 1948.

By collateral accord with State and Defense the DCI, Rear Admiral Roscoe H. Hillenkoetter, agreed that their policies would flow directly through departmental Designated Representatives to the head of OPC. When Lieutenant General Walter Bedell Smith replaced Hillenkoetter in October 1950, he put a different construction on the NSC directive. Thereafter, State and Defense policies reached OPC only through the DCI, who effectively installed himself in control of its operations.

During the corporate life of OPC, the top office of ADPC was held by just two individuals, Mr. Frank G. Wisner (1 September 1948–23 August 1951) and Colonel Kilbourne Johnston (23 August 1951–1 August 1952). Wisner, a man of intense application with a solid background in secret intelligence work, was a singular choice to create a covert organization from scratch; and Johnston with much managerial experience was well qualified to organize that establishment toward a more orderly existence. Wisner was promoted in 1951 to become the Deputy Director for Plans (DDP), thereby assuming general direction of both OSO and OPC operations; and Johnston was General Smith's choice to succeed him as ADPC.

The scope of the OPC effort and the maintenance of its relationships with the highest levels of State, Defense, the Joint Chiefs of Staff (JCS) and other governmental agencies was a tremendous challenge to these men and their staffs, and a heavy burden as well. Operational requirements emanating from State, Defense, and JCS taxed OPC capacities from the very moment of its establishment. As the U.S. Government increased the pace of peaceful confrontation (the Cold War), OPC grew faster and expanded farther than initially anticipated.

Operational directives issued from the NSC in a seemingly unending stream to the Departments of State and Defense, which in turn called on OPC for covert support. Its relationships with these departments and with the JCS were salutary on the whole. There were, however, some temporary moments of tension with State's propaganda office and with the psychological warfare office of the Army, as well as with the Far East Command. Generally, they were all soon quieted.

OPC's "Learning by Doing"

To the United States and to OPC, the conduct of political and psychological warfare in peacetime was a new art. Some of the techniques were known but doctrine and experience were lacking. OPC was to learn by doing. By 1952 OPC had built an organization capable of executing covert action on a worldwide scale. It had gone through a period of rapid expansion in terms of both people and money.

The secret war provided an immediate area of confrontation and, as a consequence, there was much governmental pressure to "get on with it." Operations grew apace, some successful and some not, as revealed by a quick look at what happened during the 1948–1952 period.

25X1

In the years 1948 to 1950, OPC concentrated its efforts on Europe and the West. Its representatives were placed first in the Western European countries [redacted]; then in some of the Middle Eastern states, [redacted] and South Asia; and in the Far Eastern countries. South America and sub-Sahara Africa were low on the priority list. [redacted]

25X1
25X1

25X1

25X1

25X1

[redacted] At first most of the OPC stations and bases had only skeletal staffs. Their capabilities were limited; but their very presence was a cogent factor. Local individuals, groups, and intelligence services quickly came to understand that there was a force abroad in the world around which they could rally and gain support in their own opposition to Communism.

25X1

[redacted]

Highest on the Department of State's list of priorities was the need to deal with the political leadership of the countless thousands of refugees and emigres who had fled to the West from Russia and the satellite countries. The immediate problem was to deal with them outside of the Iron Curtain. These leaders could not be endorsed to head governments-in-exile, for the realities of the situation ultimately demanded recognition of the Communist regimes that had assumed power; but they could be employed in the conduct of PP operations behind the Curtain.

As a consequence, the National Committee for Free Europe (NCFE) was organized in 1949 with OPC support under the aegis of prominent financiers, lawyers, industrialists, and savants in order to give the political energy of these foreign nationality groups some direction. The main activity of NCFE centered on Radio Free Europe (RFE), with broadcasting facilities directed toward the satellites. [redacted]

25X1

[redacted] Another project involved the organization of the American Committee for the Liberation of the Peoples of Russia, which established Radio Liberty to broadcast to Russia itself. RFE and Radio Liberty were still operating in 1971 [albeit no longer under clandestine management] and had figured prominently in the press.

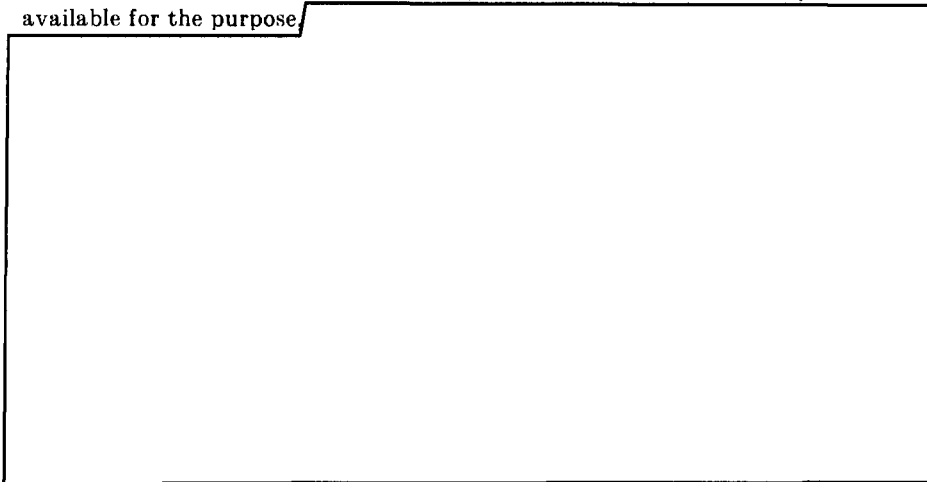
International Organizations

The Cominform, following its formation, concocted a number of wide-ranging front organizations (so called because they provided a facade for Communist indoctrination), including the World Peace Council; the World Federation of Democratic Youth; the World Federation of Scientific Workers; the International Union of Students; the Women's International Democratic Federation; the International Organization of Journalists; and the International Association of Democratic Lawyers.

These international organizations spoke out in favor of peace and solidarity in order to prepare the unwary for subtle indoctrination into the Communist ideology. As instruments of psychological warfare, their announced aims were so estimable that it was difficult to devise a means of defense except in kind. Principally although not exclusively in the West, OPC became active in sponsoring rival international organizations of a non-Communist hue, specifically in the cultural, youth and student, veterans', women's, labor, and lawyers' fields.

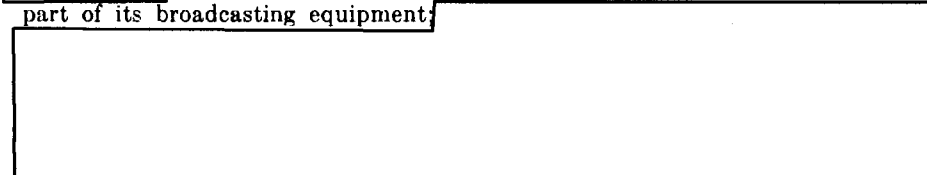
Certain labor operations had been instigated by the Economic Cooperation Administration (ECA) before OPC came into being. As a consequence, OPC

initially concentrated its efforts within the circumference of the trade union movement with the assistance of the ECA, which had certain counterpart funds available for the purpose/



25X1

In Munich, RFE established its programming headquarters and a part of its broadcasting equipment/



25X1

The U.S. policy of containment was soon tested by Communists when the Republic of Korea was invaded on 25 June 1950. Up to this point, OPC's responsibility for preventive direct action or PM activity--or unconventional warfare as it came to be known--had been limited to the plans and preparations for stay-behind networks in the event of a future war. Much of this effort was in support of North Atlantic Treaty Organization (NATO) planning in the European countries/

25X1



25X1

OPC in the Far East

Korea precipitated a call for immediate PM operations in support of U.S. participation in the United Nations intervention. OPC's effort in the Far East had not made much headway up to 1950, except for certain nascent psychological operations directed against the/ and against the Communist revolutionaries in Southeast Asia. This was due in part to the problem of an overburdened staff. A principal obstacle, however, was the fact that General Douglas MacArthur was in charge of CIA as he had been of the Office of Strategic Services (OSS). Now he wanted assistance from wherever possible, including OPC.

25X1

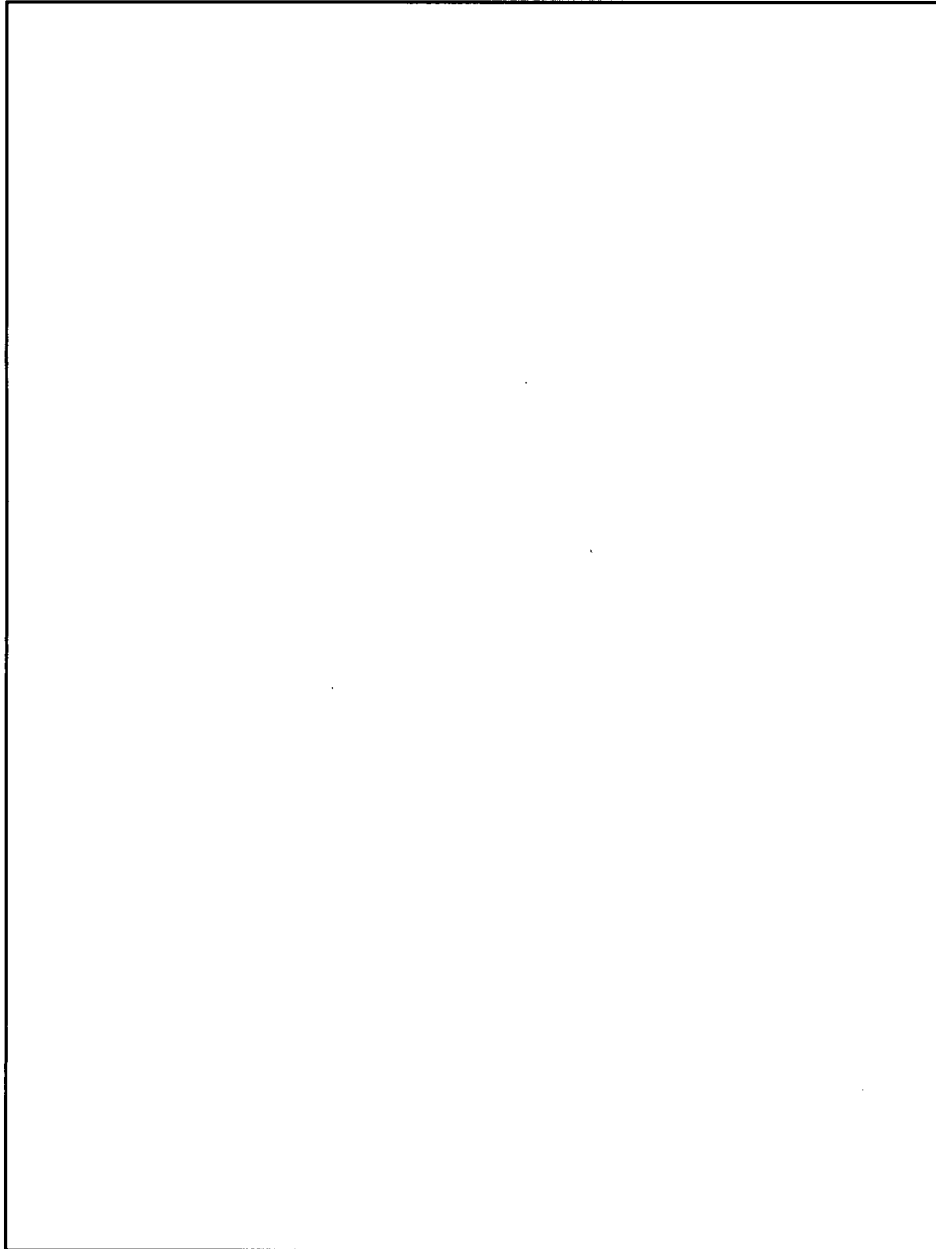
Having reached a modus vivendi with the Far East Command (FEC), OPC's Pacific operations expanded rapidly. Korea provided a testing ground for the support of conventional warfare with unconventional methods. The Americans had learned a great deal about unconventional offensive tactics in World

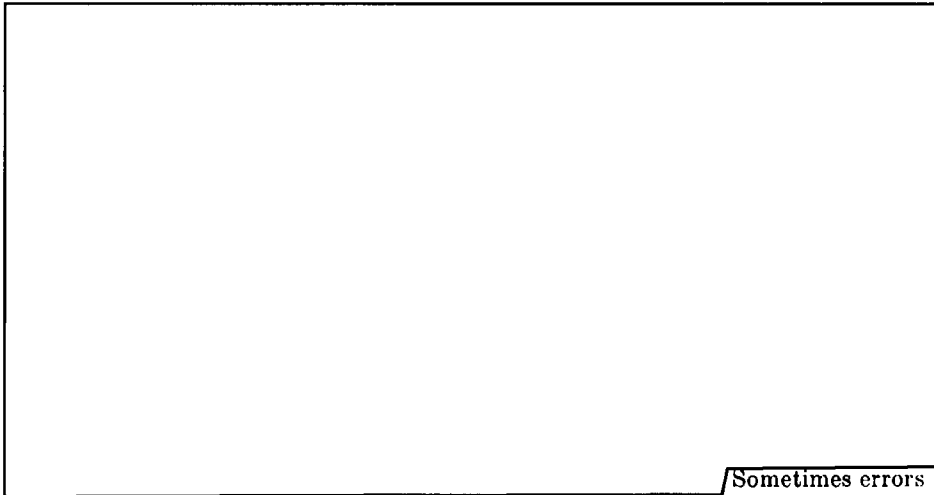
War II, but the Communist states had learned from the Soviets a great deal about defensive tactics. As a result, unconventional warfare in Korea was something of a standoff

25X1

It was quickly apparent that the Communist regimes knew a great deal about how to deal with their internal security; consequently little resistance by the civilian population could be located in the north on which either intelligence or action networks could be constructed by OSO and OPC respectively.

25X1





Sometimes errors were made because officers were bemused by their own creative urges and ventured too far into activity that was overt by nature and not OPC's business. Ill-starred ventures into the production of motion pictures demonstrated this point.

There were many sound decisions and some injudicious ones; but the margin for error, it is clear, decreased as experience was gained.

General Smith Questions Scope and Pace

When Smith became DCI in October 1950, he was perplexed, if not dumb-founded, at the wide-ranging responsibilities of OPC. A few months before his appointment, the NSC had decided to expand U.S. PP activities. Encouraged by some apparent cracks in the Bloc structure, there was even talk of separating the USSR from some of its satellites. OPC had been told to accelerate its activity, but no one knew how far it was to go or from whence were to come the means to get there.

At an early moment, Smith deliberated on the merger of OPC and OSO, but deferred any action for fear that the self-revealing activities of OPC might interfere with OSO's long-range espionage and counterespionage (CE) mission. He decided to bridge the duality of their overseas representations by superimposing Senior Representatives of his own choosing and reporting to him.

In May 1951 Smith decided to seek further guidance from the NSC as to the scope and pace of OPC operations. He requested that the NSC initiate a comprehensive review of covert operations in light of the increase in their magnitude, that such review restate the responsibilities involved for U.S. covert operations, and that if the review should reaffirm CIA's covert operational responsibility, he should be provided with a way to obtain the necessary support from other agencies.

He received half an answer from the NSC. The operational responsibility of CIA for covert activity was reaffirmed. But the review of operations and methods for the provision of their support was placed in the hands of a committee—the Psychological Strategy Board (PSB). Evidently Smith was to have the satisfaction of answering his own question, for he soon became chairman of the PSB. Separated from the making of strategic policy as it was, the PSB proved to be a frail reed, but it was the beginning of a process whereby mechanics were later

established for better relating the conduct of covert operations to U.S. national strategy.

The answer from NSC, unsatisfactory though it was, may have been the turning point in General Smith's considerations of merging OSO and OPC, a course urged on him by his deputy, Mr. Allen W. Dulles, and his operational deputy, Wisner. At least he knew that for the foreseeable future he would be privileged or saddled—depending on how he looked at it—with the responsibility for conducting covert operations. A number of actions began to take place within OSO and OPC and between them, looking toward integration.

OPC at the Time of the Merger

By the time of the 1 August 1952 merger, OPC was active in all spheres of covert activity

25X1

In terms of the tools of its trade, it had acquired many installations and facilities at home and abroad and had accumulated against planning contingencies for wartime a huge stockpile of ordnance items. It had acquired substantial numbers of aircraft for support purposes, and the Air Force had undertaken to allocate to OPC support four air wings, again to fulfill planning contingencies.

25X1

In strength levels OPC had overtaken and passed OSO. In the course of its growth, OPC had found it necessary to undergo several major reorganizations. By 1952, the leaders of CIA were of the opinion that OPC had grown to a point where a period of consolidation of its resources was in order. On the eve of merger, a review board of senior OPC officers was appointed by General Smith to reduce OPC's monetary commitments by as much as one-third. It quickly became known as "the murder board." Although many projects were earmarked for termination, their liquidation was found to be a complicated and sometimes painful procedure. Further sorting out, it appeared, would have to take place after 1 August 1952 within the framework of the merged services.

In concluding this introduction to the history of OPC's tough encounter with the Soviets in the covert action (CA) field, it would be exciting to say that OPC emerged as the winner, but the most one can say is that the contest was a "see-saw" affair. The Soviets were ready at the end of World War II with an aggressive game plan and had taken an early lead. OPC, a new organization, was faced with trying to plan a catch-up game from the very start. No one can say how and when the contest ended—or if it has ever ended—but the Soviet Union no longer had the field completely to itself.

25X1

Approved For Release 2006/01/31 : CIA-RDP78T03194A000400010005-6

Next 12 Page(s) In Document Exempt

Approved For Release 2006/01/31 : CIA-RDP78T03194A000400010005-6

*From OSO and OPC to
the Clandestine Services*

THE ORGANIZATION OF THE CLANDESTINE SERVICES¹

Ludwell Lee Montague

This paper . . . is designed to create a single overseas clandestine service, while at the same time preserving the integrity of the long-range espionage and counterespionage mission of CIA from amalgamation into those clandestine activities which are subject to short term variations in the prosecution of the Cold War. . . . There is no reason why the establishment of a single chain of command and of uniform administrative procedures would have any effect of submerging specialized OSO or OPC missions and techniques if intelligently applied.

— Bedell Smith, 15 July 1952

Bedell Smith's third major achievement as Director of Central Intelligence was his organization of the Clandestine Services.² The idea of integrating the Office of Special Operations (OSO) and the Office of Policy Coordination (OPC) had been advocated by Allen Dulles since 1948, but was initially opposed by Smith. Until the adoption of NSC 10/5 (October 1951), Smith sought to make a clear distinction between the intelligence activities of CIA, including clandestine collection by OSO, and the covert operations of OPC. Thereafter this idea became less important to him and the advantages of a simpler chain of command and control over all overseas operations more attractive. In the end, it was Smith who dictated the terms of the merger, in July 1952. Only a man of his force of character could have imposed it on OSO.

The Dulles Concept

In May 1948, Allen Dulles moved to counter a State Department proposal by advising the NSC that clandestine intelligence collection and covert operations should be under the control of a single director. That intervention resulted in the establishment of OPC in CIA, though not under the clear control of the DCI.

In the division of labor within the NSC Survey Group, Allen Dulles took as his province not only all CIA clandestine operations, for both intelligence collection and political action, but also all of CIA's overt collection activities as well. Not surprisingly, the NSC Survey Group found that all such activities should be brought under a single direction below the level of the DCI. Specifically, its recommendation was that OSO, OPC, the Contact Branch of the Office of Operations (OO), and perhaps also the Foreign Broadcast Information Branch (FBIB) of OO, should be "integrated" in a new self-sufficient and semiautonomous "Operations Division."

² The other two were his development of a cooperative relationship with the IAC and his reorganization of the DDI offices pursuant to NSC 50. In general, Smith preferred to say that he had *organized* CIA (which he had found *unorganized*). That was substantially true.

25X1

SECRET

Clandestine Services

In adopting the recommendations of NSC 50, the NSC adopted this recommendation, excluding the FBIB, and directed the DCI to carry it out. Admiral Hillenkoetter promptly submitted a plan for this purpose, but, inasmuch as it required the amendment of NSC 10/2 in a way that would transfer the effective control of OPC from State to the DCI, it was not adopted. (Apparently that consequence of the Survey Group's recommendation had not been foreseen!) Thus, when Bedell Smith became DCI in October 1950, the situation with regard to OSO, OPC, and OO remained exactly as it had been in January 1949, when the NSC Survey Group submitted the recommendations of Allen Dulles to the NSC.

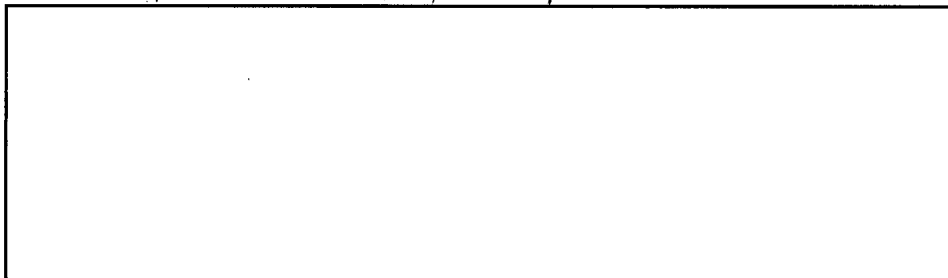
Bedell Smith's Initial Concept

On 12 October 1950, General Smith told the NSC that he would promptly comply with the direction contained in NSC 50, with one exception: he would not merge OSO, OPC, and the Contact Branch of OO. The NSC accepted that exception without inquiring why the DCI was opposed to the merger, or what alternative arrangement he had in mind.

There is no record of Smith's reasons for making this exception. From his subsequent actions, however, two considerations can be inferred: (1) he wished to maintain a clear distinction between clandestine intelligence collection and covert action operations by preserving an organizational distinction between OSO and OPC, and (2) he hoped to effect the necessary coordination between them by appointing a Deputy Director to have supervision of both. That Deputy Director was, of course, Allen Dulles.

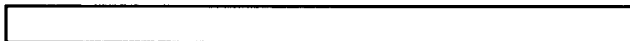
Although it thus appears that Bedell Smith intended, from the first, to have a Deputy particularly charged with the supervision and coordination of OSO and OPC, he realized also, from the first, that two CIA units operating independently in the same overseas area would require some local supervision and coordination. For this purpose he devised a system of Senior Representatives (of the DCI) abroad.

Smith's intention to appoint such Senior Representatives was known in OSO as early as 12 October 1950--one week after Smith had taken office as DCI, one month before Dulles came to Washington as a consultant, two and a half months before Dulles took office as DDP. In short, this was Smith's idea, not Dulles's, and it, like the appointment of a DDP, was intended to be a substitute for the integration of OSO and OPC, not a step in that direction.³



25X1

³To quiet apprehensions in OSO that the appointment of Senior Representatives would be a first step toward integration, the ADSO (Colonel Robert Schow) gave out assurances that General Smith had no such intention.



25X1

[REDACTED]

25X1

These Senior Representatives were not in the chain of command. That still ran from the ADSO or the ADPC to the respective station chiefs in the field. The Senior Representatives were, essentially, local observers for the DCI, reporting directly to him and not subject to let or hindrance by the ADSO, the ADPC, or the DDP. They were to be kept fully informed by the field stations under their supervision, and could intervene with advice, though not with orders. Their leverage was that, if their advice was disregarded, they would submit their recommendations to the DCI, who would then issue his own orders to the ADSO or ADPC.

This was not a good system of command and control. It was, perhaps, the best that could be contrived at the time, given a basic decision that the operations of OSO and OPC must be kept separate and distinct.

Creeping Integration

Allen Dulles was of the same opinion still. The steps that he took, as DDP, to coordinate the activities of OSO and OPC were plainly designed to lead eventually to integration.

That coordination was sorely needed is evidenced by a memorandum dated 7 February 1951 from the DCI's Executive Assistant (Lyman Kirkpatrick) for the DDP (Allen Dulles). Both OSO and OPC had made independent approaches to the same individuals and groups with a view to recruitment. There was similar confusing duplication in the two Offices' operational liaison with other U.S. agencies and with [REDACTED] and further duplication in such matters as communications and procurement. OSO was concerned lest the security of its long-term clandestine penetrations be jeopardized by OPC's widespread contacts.⁶

25X1

Kirkpatrick's memorandum prompted Dulles to call a meeting on the subject of OSO-OPC coordination. The outcome of that meeting was merely the appointment of a committee to study the subject and submit recommendations. It is significant, however, that Kirkpatrick recorded the proceedings under the title of "Meeting on Integration of OSO and OPC." Thus it appears that the thrust of the discussion was toward integration, although integration was contrary to the policy of the DCI at the time.

The committee appointed on 14 February was composed of Richard Helms (OSO), Kilbourne Johnston (OPC), and [REDACTED] (DDA). They rendered their report a month later. In essence, it recommended that certain administrative and support functions common to OSO and OPC be integrated, but that the operational elements of the two Offices be kept distinctly separate.

25X1

Meanwhile, by direction of the DDP, a process had already been begun which plainly pointed toward the eventual integration of the operating elements of the two offices. As a first step, the ADPC, Frank Wisner, met on 3 March with the

[REDACTED]

25X1

⁶ Kirkpatrick, 35 in 1951, was a highly ambitious young man. As Executive Assistant, and later as ADSO, he was always "playing his own game"—not OSO's. His constant objective was to outflank Frank Wisner, as ADPC and later as DDP.

new ADSO, Major General Willard Wyman,⁷ and they agreed upon a redefinition of the territories to be covered by their respective area divisions, so that they would correspond exactly to one another. The next step was to rearrange the office space allotted to these divisions, so that the corresponding divisions would be adjacent to each other. This required finding enough extra space to hold one complete division "in transit" while another moved into the space the first had vacated, and so on. It was not easily done in the cramped quarters available. By the end of June, however, it had been accomplished. And it could be anticipated that, when this rearrangement had been made, the next step would be the appointment of a common chief for each pair of divisions.

So it happened. On 9 June 1951 the ADSO and the ADPC agreed to combine their small Latin American divisions into one common Western Hemisphere Division. Its Chief, from OSO, reported to both Assistant Directors. Below him, the OSO and OPC elements of the combined division remained distinct. This was not yet true integration, but it was coming close.

Meanwhile, in March, Wyman proposed to Wisner that their overseas operating bases targeted against the USSR should be combined, beginning in [redacted] The DCI himself approved that proposal, on 18 April.

Thus it will be seen that by the summer of 1951 Allen Dulles, Frank Wisner, and Willard Wyman had gone a long way toward integrating OSO and OPC, despite the fact that during the same period Bedell Smith—who still hoped to rid himself of most of OPC's operational commitments—was constantly directing them to keep the operations of OSO and OPC separate and distinct. Dulles, Wisner, and Wyman complied, technically, with Smith's direction, but it is evident that they were working toward integration as an ultimate objective, an objective that General Smith was not yet prepared to approve.

It is also evident that General Wyman's attitude in this respect was quite different from that of the old hands in OSO as represented by Richard Helms.

The OSO Attitude Toward Integration

OSO was derived from the clandestine services of OSS.⁸ By 1951 it had been a going concern for ten years, and its old hands regarded themselves as professional clandestine operators. From their point of view, OPC was a parvenu, its ranks composed of enthusiastic, but inexperienced, amateurs. To be sure, some members of OPC were OSS veterans, notably Frank Wisner, the ADPC, but they had left the service at the end of the war and so had not had the continuous experience of the OSO professionals. Moreover, they had not shared in OSO's struggle to survive in the postwar world, and so could not really be members of the clan.

Another factor in OSO's antipathy toward OPC was that OPC was born rich, while OSO remained relatively poor. That was true not only of Office budgets, but of personal pay. Since the establishment of the OSO grade and pay structure, there had been a general inflation in such matters. In order to recruit, OPC had to offer higher grades than were available in OSO for similar work. Thus the "amateurs" in OPC were, generally, better paid than the professionals in OSO. That must have rankled.

General Wyman relieved [redacted] as ADSO on 15 February 1951. Wyman had no intelligence experience, but considerable command experience overseas.

* When OSS was dismembered, 1 October 1945, these elements became the War Department's Strategic Services Unit (SSU). OSO was derived from SSU and activated on 11 July 1946, although organizational continuity was then technically broken.

A related factor was that OPC was expanding rapidly, while OSO remained generally static. Consequently the prospects for promotion were better in OPC.

Another source of institutional jealousy was that OSO was committed to a long-term and, by definition, unspectacular task, while much of OPC's work was designed to produce an immediate or early impact, from which a sense of current achievement could be derived.⁹ The urgency with which OPC undertook these tasks made it easy for the OSO professionals to regard the OPC "amateurs" as reckless adventurers. And, given OPC's dependence on OSO's clandestine contacts, there was some substance to OSO's concern lest OPC's operations expose OSO's assets. OSO's operations were not by nature self-revealing, but the effect of any successful OPC operation would necessarily be noticeable, and therefore might provoke investigation and counteraction by the enemy.

On 24 May 1951, William Jackson, the DDCI, brought the subject of integration into the open. In reporting on his survey of OPC, he recommended "that ultimately covert intelligence and covert operations be administered through a single command chain down to the station level." That recommendation evidently reflected OPC's then current view. It was made subject to confirmation after Jackson had completed his survey of OSO.

Four days later, by coincidence, [redacted] attended the Weekly Staff Conference and strongly urged the integration of OSO and OPC. [redacted] must have complained that the OSO and OPC personnel [redacted] were more loyal to their respective home offices than they were to him, for Bedell Smith took the occasion to lay down the law that their primary loyalty must be to the Agency, and consequently to the DCI's personal representative.

It appears that William Jackson never rendered a written report on his survey of OSO, which was made during July and August.¹⁰ There is in the record, however, a lengthy memorandum from Lyman Kirkpatrick, the new DADSO,¹¹ to Jackson, dated 31 August 1951 and self-said to be based on Kirkpatrick's participation in Jackson's survey of OSO. This memorandum may have been intended to serve as a contribution to Jackson's eventual report. It was decidedly at variance with the view that Jackson had acquired in OPC.

Kirkpatrick certainly did not contemplate an integrated chain of command down to station level. Rather, he recommended a redefinition of functions so that OSO would hold a monopoly of all contacts with clandestine agents and underground organizations, whether for intelligence collection or for covert action operations, and OPC would be left with only such political and psychological activities as did not involve such contacts.¹² This proposal became the key to OSO's attitude toward integration from that time forward: that any merger of OSO and OPC functions should occur within OSO, under OSO control.

⁹ It should be noticed, however, that a large part of OPC's work consisted of planning and preparations for contingencies that might never arise.

¹⁰ Jackson ceased to be DDCI on 3 August, [redacted]

[redacted] In 1956 President Eisenhower named Jackson Special Assistant for National Security Affairs. Jackson later retired to Arizona, where he died on 28 September 1971.

Allen Dulles succeeded Jackson as DDCI on 23 August 1951, at which time Frank Wisner became DDP and Kilbourne Johnston ADPC.

¹¹ Kirkpatrick, the DCI's first Executive Assistant, became DADSO on 1 July and ADSO on 17 December.

¹² Incidentally, he recommended also that the Contact Branch, OO, of which he had once been Chief, be transferred from OO to OSO.

25X1
25X1
25X1

25X1

25X1

SECRET

Clandestine Services

Kirkpatrick recommended also "that the staff of the DDP be held to an absolute minimum so that the present operating offices will not be echeloned down to a lower level, and that the operating support units being currently gathered around DDP not become the tail wagging the operating dog, just as the CIA administrative staff once did." Whatever the merits of that matter, this reference to the findings of the NSC Survey Group was a plain appeal to Jackson's prejudice against Hillenkoetter's administrative staff.

When Kirkpatrick wrote, there were three integrated special staff units directly subordinate to the DDP: Covert Training, Communications, and Technical Services. On 25 September, Frank Wisner, the new DDP, added three general staff units: Plans, Operations, and Administration and Logistics. Whether or not Wisner was then aware of Kirkpatrick's out-of-channels memorandum for Jackson, his course as DDP was diametrically opposite to Kirkpatrick's recommendation.

Moreover, on 3 October 1951, Wisner proceeded to create a second merged area division by combining the Middle Eastern divisions of OPC and OSO. Again the chief of the combined division was from OSO, but this time he was given two deputies, one from OPC and one from OSO.¹³ Wisner stressed that the constituent area branches of the two antecedent divisions and their field operations were *not* to be merged—for the time being.

On 24 October General Wyman, on his return from a visit to the Far East, strongly urged upon General Smith the necessity of integrating the field operations of OSO and OPC, but his idea of how that should be done was similar to Kirkpatrick's recommendation to Jackson in August. Wyman supplemented his memorandum for Smith with another for Jackson which supplies the following quotation: "I strongly believe that those functions now regarded as belonging to OPC, but which are of a purely clandestine intelligence nature, should be controlled by those individuals engaged in intelligence work." On 13 November Allen Dulles (DDCI) reported to the Director's morning meeting that General Wyman felt strongly "that operations should be subordinated to intelligence." That generalized statement was not a precise reflection of the Wyman-Kirkpatrick position, but shows how it was understood (and reacted to) by Dulles, and also by Wisner and Kilbourne Johnston.

General Wyman departed on 13 December 1951, to accept a command in Korea. Lyman Kirkpatrick succeeded him as ADSO on 17 December and Richard Helms became DADSO.

The DCI Accepts Integration as a Goal

It appears that the turning point in Bedell Smith's attitude toward integration was the NSC's adoption of NSC 10/5, on 23 October 1951. The NSC thereby approved the immediate expansion of OPC and the intensification of its activities. In particular, it committed Smith to bring about an expansion and intensification of guerrilla warfare in China. The NSC discussion of the subject showed Smith that there was no chance that he would be able to transfer responsibility for guerrilla operations from CIA to the JCS. He promptly withdrew NSC 10/4 from further consideration.

From that point onward, the question was not whether OSO and OPC would be integrated, but only how that should be done.

¹³ The three men were Kermit Roosevelt,

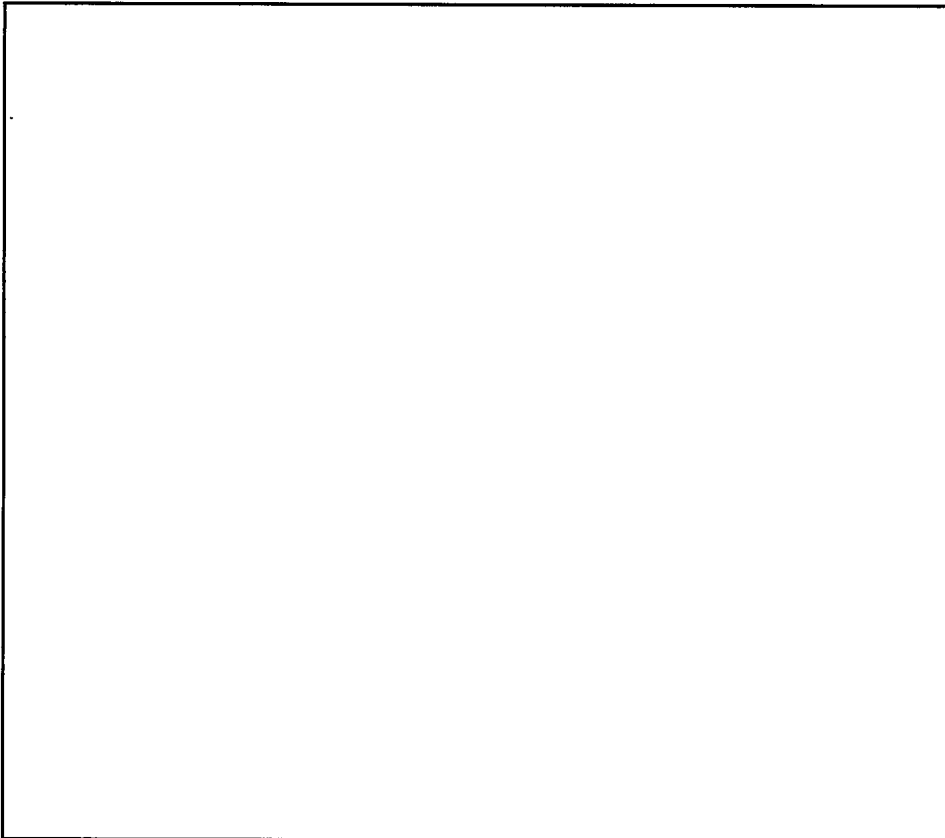
On 8 January 1952 Smith signed an order prepared by Wisner directing that the remaining area divisions of OSO and OPC be merged. The merged divisions would be responsible directly to the DDP, as a single operating service. Thus the chain of command would run from the DCI through the DDP to the division chiefs, and the ADSO and ADPC would become merely staff officers to the DDP.

At the same time, Wisner mentioned the low state of morale in OSO and OPC. Both Kirkpatrick (the ADSO) and Johnston (the ADPC) wished to see Smith about that. Smith evaded Kirkpatrick's request to brief him on the merger, but consented to visit OPC for morale-building purposes. There Smith confessed to the principal officers of OPC that he "screamed like a wounded buffalo" when disappointed but said that they must not take that too hard. He really appreciated their operational skill and devoted service; he depended on them. That apparently took care of the morale problem in OPC.

Meanwhile OSO was fighting a rear guard action. On 31 January Richard Helms, then Acting ADSO, saw Frank Wisner and [redacted] (DADPC) and persuaded them, he believed, to slow down the merger process. He said that he was not opposing the merger as such, but that he was concerned regarding the security of OSO's clandestine assets if the ADSO were to lose control of his own operations and personnel to the chiefs of the merged divisions. In short, the ADSO must be kept in the chain of command, at least for the time being.

By March 1952 it was felt in the ADPC's staff that any further progress toward integration, particularly in the field, would be resisted by the ADSO and his immediate staff, though not by the OSO personnel in the merged divisions.

25X1



25X1

25X1



Integration Accomplished

On 17 April 1952 Wisner, Johnston, and Kirkpatrick met at Johnston's home in Fairfax. Wisner and Johnston understood that Kirkpatrick then agreed to proceed toward the more complete integration of OSO and OPC, and in particular to clarify the *command* position of the DDP and the *staff* positions of the ADSO and the ADPC. The next morning Wisner reported this happy development at the Director's morning meeting. Smith then remarked that it was not necessary to go too far toward integration, that the merger was really a matter of coordination.

The substance of this so-called "Fairfax Agreement" was already clearly implicit in General Smith's order of 8 January. Thus the agreement, if there was one, was nothing more than an agreement to proceed further toward the implementation of that order. Two weeks later, however, Kirkpatrick submitted a plan for "integration" that was radically at variance with Smith's order, as well as with the supposed "Fairfax Agreement," but entirely consistent with Kirkpatrick's recommendations to Jackson in August 1951 and with the principle advocated by Helms in March 1951 and January 1952. The essence of it was that the ADSO would retain *command* of OSO.

Kirkpatrick proposed that OPC should be divided into two offices, Psychological Warfare and Para-military Activities. Those two offices and OSO "should retain their integrity as offices with separate, independent staffs and with full command control under DDP of their personnel, budget and missions." There should, however, be a strong Vice DDP to give operational and management direction to them and to control compartmentalization between them.¹⁶

Kirkpatrick's proposal of 2 May 1952 was the last stand of OSO against integration.

¹⁶Kirkpatrick would have been the logical candidate for appointment as Vice DDP. It is not clear what there would have been left for the DDP to do.

25X1

Kilbourne Johnston, the ADPC, forwarded Kirkpatrick's proposal to Frank Wisner, the DDP, with a furious, but cogent, memorandum of dissent. It is not apparent what Wisner did then, but it is evident that Kirkpatrick's paper did reach Bedell Smith in one way or another. Smith rejected Kirkpatrick's conception of a trifurcated command structure, but he adapted some of Kirkpatrick's ideas to his own conception of a single chain of command down to the chiefs of merged overseas stations.

The next development was a meeting in late May arranged by Wisner and attended by Smith, Wisner, Johnston, and Helms (as Acting ADSO in Kirkpatrick's absence). The result of that meeting was that Helms prepared at Smith's direction a draft dated 4 June 1952 and entitled "A Proposed Organization of the CIA Clandestine Services." The military analogies contained in that paper strongly suggest that its organizational conception had been dictated by Bedell Smith himself. Certainly that conception differed radically from Helms's previous ideas on the subject, while conforming to the concept of Smith's order of 8 January. One may infer that Helms perceived that the time for argument was over and that he loyally wrote as Smith directed. One may infer also that he was made the drafter in order to silence OSO opposition. Nevertheless, it is notable that much of the language of Smith's final version, dated 15 July, was taken verbatim from Helms's 4 June draft. Thus, ironically, it was Richard Helms who drafted the final order for the integration of OSO and OPC.

Bedell Smith, however, personally prepared his own text for that final order. On 30 June 1952 he desired to have Wisner, Kirkpatrick, Johnston, Hedden (the Inspector General), and White (the Assistant DDA) review a revised draft of his own paper entitled "CIA Clandestine Services—Description of Proposed Organization" and suggest any final changes that they might wish to make in it. The next day [redacted] the Acting ADPC, advised Wisner that he should accept Smith's draft "with enthusiasm" and press to have it issued as a directive.¹⁷

In early July Bedell Smith personally cleared his draft with David Bruce, the Under Secretary of State, Robert Lovett, the Secretary of Defense, and Sidney Souers, the Special Assistant to the President for National Security Affairs.

The final version of Smith's paper was issued as a directive on 15 July 1952, under the title "Organization of CIA Clandestine Services." Its stated purpose was to create a single overseas clandestine service while at the same time protecting the long-term espionage mission of CIA from becoming lost in multifarious opportunistic and urgent covert operations. (See text at the head of this chapter.)

Smith reaffirmed his decision of 8 January to establish a single chain of command from himself as DCI through the DDP and the chiefs of the merged area divisions to the chiefs of merged stations overseas. To this end, the DDP would assume the residual command functions of the ADSO and the ADPC.

The DDP would be assisted by a Chief of Operations who would serve as both his deputy and his chief of staff. This position may have been suggested by Kirkpatrick's proposed "Vice DDP," but it reflected also Smith's military experience. Kirkpatrick was appointed to the office, but was unable to serve because of his severe illness (polio), which began on 20 July. Richard Helms substituted for Kirkpatrick as Acting Chief of Operations until he was appointed to that position in his own right, on 26 February 1953.

¹⁷Given the textual correspondence between Helms's 4 June draft and Smith's 15 July text, it is virtually certain that Smith's 30 June text was derived from Helms's draft and substantially identical with the 15 July version.

25X1

The Chief of Operations, as chief of staff, would supervise five staff units: Foreign Intelligence, Political and Psychological Warfare, Paramilitary Operations, Technical Support, and Administration. Foreign Intelligence was the former staff of the ADSO. Its function was to exercise *staff* supervision of the espionage and counterespionage operations of the merged divisions and stations. Its designated chief had been Richard Helms, the former DADSO. Similarly, Political and Psychological Warfare and Paramilitary Operations represented the division of OPC recommended by Kirkpatrick, but here they appeared as *staff* units rather than as line offices. [redacted] the former DADPC, was made Chief of the Political and Psychological Warfare Staff.¹⁸

The DCI's Senior Representatives abroad were assigned *command* authority over all CIA activities in their respective areas of responsibility.

General Smith emphasized that in this structure there were only two echelons of command authority: the DCI in Washington and the Senior Representatives abroad. The DDP and his division chiefs had only delegated authority, as the executive agents of the DCI.

This order went into effect on 1 August 1952. OSO and OPC then ceased to exist. In their stead there was a single organization with a plural name, The Clandestine Services.

¹⁸Kilbourne Johnston, the ADPC, had resigned. [redacted] served as Chief, PP Staff, for only one month and was then made Senior Representative [redacted]

25X1
25X1

Approved For Release 2006/01/31 : CIA-RDP78T03194A000400010005-6

SECRET

NO FOREIGN DISSEM
CIA INTERNAL USE ONLY

SECRET

Approved For Release 2006/01/31 : CIA-RDP78T03194A000400010005-6