

A Case Officer's First Tour

Assignment Trieste

Richard Stolz

Editor's Note: Richard Stolz joined the CIA in 1950. In addition to his tour in Trieste, he served in eight other overseas posts, and he was Chief of Station at four of them. Before retiring in 1981, he was also chief of two Directorate of Operations (DO) area divisions. In late 1987, then DCI Webster asked him to return to the Agency to serve as Deputy Director for Operations (DDO), a position he held through 1990. In February 1991, President Bush awarded Stolz the National Security Medal.

From Stettin in the Baltic to Trieste in the Adriatic, an Iron Curtain has descended across the continent.

Winston Churchill
Fulton, Missouri
6 March 1946

The reason I went to Trieste instead of some other place in the spring of 1951 would not make much sense in this day of highly structured and intensely negotiated overseas assignments for fledgling case officers. Briefly, when I showed up for work at "L" Building by the Reflecting Pool the day after Labor Day of 1950, my interlocutor did not quite know what to do with me. He leaned out the open window, called to the first person he recognized walking along by the pool, told him to come into the office, and said, "Now what are we going to do with this nice young man?" It turned out that the person worked in the then Foreign Division "P," which covered Southeast Europe within the Office of Special Operations (OSO). It also turned out that there was an empty desk in the rabbit warren that was the Balkan Branch, whose operational responsibilities included the then Free Territory of Trieste. So I sat there until the next training course — or what at the time passed for a training course — started a couple of months later. I have often wondered where I would have ended up if another person had answered the summons. Tokyo? Cairo? This was homebasing, old style, but neither I nor anyone else seemed to mind.

I spent most of my time in the Branch doing name traces, working from masses of 3 x 5 cards located in the Central Registry in "I" Building. One of my favorite cards was "TITO, first name unknown, last name unknown." Training exercises included doing hopelessly inadequate casings and sketches of Union Station.

I was a GS-7 making \$3,824 per annum. My wife, Betty, and I were happy, but we also were anxious to get overseas and into action. After all, I had promised her a life of romance and adventure!

Going in Style

We left for Trieste in May 1951. The first leg of the trip was to Le Havre on the Ile de France. We traveled first class — not bad for a junior "Department of the Army Civilian (DAC)." The government paid for the deck chairs but not for the blankets, or was it the other way around? Jersey City political boss Frank Hague, Metropolitan Opera director Rudolph Bing, and singer Ezio Pinza were among our fellow passengers. This was definitely a step up from my last boat trip in the opposite direction in April 1946, on a troop ship going home after a couple of years as an infantry soldier in World War II. From Paris to Trieste we rode the Simplon-Orient Express, which, for anyone weaned on the novels of E. Philips Oppenheim, was in itself excitement enough. I remember thinking that the Iron Curtain could not be very far away.

Historical Review

Trieste, an ancient city known to the Romans as Tergeste, had been part of the Austro-Hungarian Empire in the 19th century and up to World War I.

It was an important commercial outlet to the Adriatic Sea and beyond. The Istrian Peninsula, including Trieste, was annexed to Italy after the war. The area's inhabitants were, and are, an interesting mix of Italians and Slovenes, with a number of other nationalities and ethnic groups.

As World War II drew to a close, Tito and his partisan army believed, with some justice from their point of view, that Trieste was well-deserved war booty. It was a natural port for them, they had fought for it, and, as I recall, they had been given some reason to hope that the Allies would let them have it as part of a general settlement after the war.

Thus, it was with bad grace and some violence that the Yugoslav army retired from the outskirts of the city in August 1945, under intense US and British political pressure backed by the threat of military force. Our policy at the time was to support our new Italian ally's essentially legitimate claim to the city, if not to the surrounding territory. Pending a final settlement, an interim compromise called for the establishment of a Free Territory of Trieste (FTT). The US and the UK would administer Zone A, which comprised the city of Trieste and its immediate surrounding area, and the Yugoslavs would administer Zone B, the predominately Slovene area to the south of the city. We and the British each had 5,000 troops in our Zone, and the Yugoslavs had 10,000 in theirs. The border between the two zones was as rigidly controlled as the borders between Italy and Yugoslavia proper.

By 1951, Tito's break with Stalin was complete, but his relations with the US, at least in Trieste, were poor. Zone B was totally dominated by the Yugoslav Communist Party. Zone A had an Italian Demo Christian majority, but it also had a large proCominform, Soviet-run party whose boss was Vittorio Vidali and a smaller pro-Tito Communist Party whose leader was Branko



Babic.

To further complicate the local situation, several thousand refugees from throughout Eastern Europe and the USSR had escaped to Trieste and were living in poor conditions in several camps, one of them a former prison. Hundreds more were coming in every month. It could not have been a better spot for a first tour.

Boy Spy Arrives

We spent a sleepless first night in Trieste in a rather nondescript hotel. The place was a madhouse. We were unaware that competitors in the national bicycle race had arrived the same day as we did, and the two bicycling national heroes were also staying in our hotel, along with what seemed like thousands of their noisy fans. The Italian passion for bicycle racing was the first of many new experiences for us.

Under my DAC cover, I was assigned to the 17th Detachment of the US Army Counterintelligence Corps (CIC). I believe that Chief of Station Burt Lifshultz, who was under cover, had made the deal locally to place three or four of us in the CIC and that he had not burdened Headquarters with the details. (Those were the days!) The Detachment was in a large building in the center of town. I remember a large, square, inner courtyard with a balcony all the way around on the second floor. The reason I remember the balcony so well is because there were about 10 memorial wreaths, dried by then but still intact, marking the points along the railings from which Italian partisans had been hanged by the local fascists just before the end of the war. It was a vivid daily reminder of the lingering temper of the times.

I owe a great debt to the civilian chief of operations of the 17th CIC. The day I reported in to him, he said, "I do not want to see you for 10 days. Spend it getting to know this city, public transportation, bars, cafes, Communist Party Headquarters, and the harbor, and find a place to live. When you come back, I will see how much you have learned. Then we can put you to work." Today's junior case officers would do well to be given similar instructions. I learned a lot over the next three years, but never quite enough to satisfy him.

Detachment Tasks

The detachment was providing basic counterintelligence support for the US military mission, doing some work against the Yugoslav military mission in Zone B, debriefing East European refugees in the camps, and vetting prospective "war brides," who in those days required security and health checks before marriage to US soldiers was permitted. All CIC personnel wore civilian clothes, which allowed for a great deal of leeway. I remember one sergeant saying to another on their way to interview one of these girls, "You call me 'Major,' and I'll call you 'Sir.'"

I was put to work debriefing refugees. This was a natural cover job because one of the Station's major tasks was to conduct crossborder operations into Eastern Europe.

Trieste Station

In those days in OSO and until 1958 or so, there was a Southeast Europe Division (SE), the follow-on to Foreign Division "P," a West Europe Division (WE) and an East Europe Division (EE). SE had responsibility for Albania, Romania, Bulgaria, Yugoslavia, Greece, Turkey and the FTT. There was some bureaucratic friction between SE and WE because the latter had Italy and therefore also had a close and legitimate interest in Trieste and our operations. I believe WE viewed us as its Base, and this rankled SE. But, for those of us in the trenches, it did not make much difference one way or another.

We did not have Operating Directives or other such devices, but we all understood that our tasks included:

- Intelligence collection on Yugoslavia.
- Crossborder operations to collect intelligence on the other countries of Eastern Europe.
- Refugee debriefing for intelligence gathering.
- Penetration of communist and fascist parties.

Targets of opportunity also were included, but not covert operations as they are understood today. On one occasion, the Office of Policy Coordination (OPC), the euphemistic name of the then — covert action arm of the Agency, heard that an Albanian "ship," the Queen Teuta out of Durres, regularly stopped at Trieste. We were instructed to check this out and examine the possibility of using limpet mines to put it out of action. Another case officer and I soon discovered that this ship was a small, wooden-hulled tub that was hauling sand up and down the Adriatic. We had some difficulty in persuading OPC that their idea was not a good one.

Some Success

We were reasonably successful, in the context of the times. The context, in the case of intelligence on Eastern Europe, was that there was little ground truth in Washington about what was happening there. Our reporting filled a large gap. By today's standards, I suppose a lot of our stuff would not have been disseminated. Then, however, we had no American presence in Bulgaria, and the embassies in the other countries were for all practical purposes confined to quarters. Our agents would return to their home countries with our documentation, clothing, legends, and intelligence requirements and usually would bring back the information we wanted. Their other principal task was to assess and recruit internal reporting sources. Given the almost total control of the communist regimes over the population, this was a risky business.

One case involved a principal agent in Trieste whose wife had remained behind. We sent another agent, with the former's permission, to contact her. When he got to the lady's apartment and checked it and her out, he discovered that she was living with a state security officer. The second agent returned safely and told us about it. We had a difficult time figuring out how to handle the cuckolded agent without telling him the true state of his wife's affairs.

Key Target

Headquarters was especially interested in intelligence on the FTT Communist Party (PCTLT) because it was a microcosm of a world communist party, with the same organizational setup and methodology. PCTLT boss Vittorio Vidali was an able and ruthless operator who had lived most of the years between the wars in Moscow. He had been involved in the murder of Trotsky in Mexico City and also of the Italian socialist leader, Carlo Tresca, in New York City in the 1930s.

For about a year, Betty and I lived in the same apartment building as Vidali. I remember one uncomfortable moment when, coming out of my apartment door, I found myself between him and his huge Slovene bodyguard as we were all going down the stairs on the way to work. The bodyguard started to make a move at me, but Vidali, in an amiable mood, waved him away.

A fellow case officer recruited a young man during this period who developed access to senior communist leaders. He provided us with a lot of good intelligence, and we all took great pride in the fact that this agent became one of the first to be put on what we knew as the "100-a-year" list — agents who could be granted entry and citizenship in the US without the customary waiting period. I took over the case when the original case officer left. The agent was hard to handle because he combined an enormous ego with an unfortunately correct perception of his own worth to us.

Another strong memory is that of a "cold" recruitment attempt I made of a ranking PCTLT leader, which was based almost entirely on technical information that indicated he was in disfavor with Vidali. I cornered him on his way home one rainy day. As we walked, I made my pitch and suggested moving on to a safehouse for further discussion. He said "thanks, but no thanks," turned around, and, according to our countersurveillance team, went straight back to party headquarters. Two days later, there was a small item in the party newspaper about the need for "vigilance." The item reported that an American tipetto (little type) speaking "perfectly comprehensible but accented Italian" had tried to subvert a party worthy. So much for cold recruitment attempts. I have never liked them and question if one has ever succeeded. The attempt stands as one of the more stupid things I have done.

Balance Sheet

On the whole I believe the Station more than paid its way. It was an excellent place to make mistakes because we controlled the real estate — not quite as much as we did in Berlin in those days, but almost. All of us learned a lot.

One "housekeeping" episode was particularly instructive. A case officer collapsed one morning in a diabetic coma with absolutely no advance warning. (He eventually survived, but it was a close call.) He was totally out of action, and we were not able to talk to him for almost a month. Like many of us at that time, he was so busy that he had left no recoverable records of future meeting times and places with his agents, to say nothing of recent contact reports and current assessments of his agents' reliability. The Station thus had little to go on to pick up where he had left off on some very important cases. Somehow we managed, but it was a struggle. Some aspects left us feeling rather ridiculous. This experience led to my conviction — some might say

obsession — as DDO that case officers and Headquarters have to keep at least minimal records and contact reports, as well as current agent validation documentation.

Partition

In 1953 and 1954 there was an intensification of the struggle between Italy and Yugoslavia over the future of the FTT, and we and the British had our hands full in keeping the situation from boiling over. Both sides insisted that both Zone A and Zone B belonged to them. A number of people were killed in Zone A in the rioting which occurred during this period, some by the local police force, which had been trained by and supervised by the British authorities.

To get people off the streets, these police frequently used a successful tactic invented by the then Italian Minister of Interior. They would drive a convoy of Jeeps very slowly, in four-wheel drive, down the narrow streets and rhythmically and loudly beat the sides of the Jeeps with rubber hoses. Anyone who did not duck into a doorway or run away down the street got hit. I can still remember the sounds of those Jeep motors and the sharp thud of the hoses on both metal and people.

On another occasion, in 1954, several hundred members of the profascist *Movimento Sociale Italiano* (MSI) party marched on the Allied Military Government (AMG) building. I was marching with them on the sidelines to report on what was happening. Just as the demonstrators reached the AMG building and were confronted by police armed only with clubs and shields, there was an explosion not 20 yards from me. One man in the crowd fell to the ground. He had been about to hurl a handgrenade at the police, but he had pulled the pin too soon and had blown off his own leg. (He was later elected to the Italian Parliament and thus escaped trial.)

Separation

Although the Station — or at least I — did not know it in 1954, highly secret and ultimately successful four-power negotiations were going on in London and Vienna to settle "the Trieste question." (The solution would provide for an even split with only very minor modifications: Zone A to Italy and Zone B to Yugoslavia.) What we did know was that in the late fall of 1953 all British and American dependents were ordered out of the territory on short notice. This was designed to put them out of harm's way and to put pressure on the Italians and Yugoslavs by showing that we really meant business. The American military dependents were sent to Viareggio, a summer resort town on the west coast of Italy, which had a number of empty hotel rooms at that time of year.

No one in the military hierarchy had made any real plans for the evacuation of CIA dependents, so we made our own arrangements. This worked out well for us because Betty and our baby daughter, Sarah, spent from about November 1953 to the spring of 1954 in Florence. We had spent a few days' vacation there the previous spring, and I was able to get a room at a decent rate. Florence, that beautiful, historic gem of a city, remains one of our favorite places.

This interlude, however, was not all a bed of roses. The separation was painful. I suppose this

memory is one of the reasons why, as DDO, I was always uncomfortable with the idea of divided tours for married Agency couples.

In early spring, when the Station decided that the possibility of returning its dependents to Trieste had improved, I arranged to have Betty and Sarah moved to a hotel in the closer town of Udine, the provincial capital of Venezia Giulia. From there, they moved to Monfalcone, a grubby industrial port town just on the Italian side of the then Trieste border.

The apartment we managed to find after a considerable effort was cold and miserable. In those days, incidentally, all case officers were expected to take care of themselves as best they could, insofar as housing and logistics were concerned. We were assumed to be self-reliant.

Betty and Sarah never did get back to Trieste, except for occasional brief visits. By late spring of 1954, my tour was about over, and I was called home for consultations — which ultimately resulted in my assignment to Munich to work on SE targets. I took the night train from Trieste to Rome to fly from there to Washington. Betty had a view of the main railroad line from Trieste to Venice from the apartment. She knew when my train was due to pass by, and when it came she flashed lights on and off to speed me on my way. I saw them. I wept.

Farewell to All That

In July the time came for us to strike camp and move on. But now, even after 40 years, I have strong memories of our first post. Not of everything, of course. But of professional lessons learned, to be sure. Even more important, of friendships lasting to this day, of shared joys and hardships, disappointments and frustrations, and also the sense of excitement and adventure, fun and achievement, and, yes, of patriotic duty. I learned that mutual trust and taking care of one another as best we can is the lifeblood of our organization. It was the beginning of my lifelong love affair with the men and women of the CIA.