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MEMORANDUM

22 April 1952

TO : Chief, SR/W  
FROM :    
SUBJECT : Summary of Discussions on NTS

1. On 27 March 1952, a conference was held in SR/W with the following individuals participating:



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2. The meeting was called to discuss primarily the feasibility of continuing joint operations with NTS, and secondarily, the problem of transferring the CARCASS training program to the U.S. and combining it with future WARNACK training program.

3. The following questions were emphasized throughout the discussion:

- a. What does the NTS have to offer us? *memberships - 900+ dues paying 200+ per. person*
- b. What manner and degree of control should be exercised over NTS in our joint operation?
- c. How are we (CIA) committed to NTS?
- d. What will the estimated cost be to CIA (in terms of money, case officer assets, etc.) of continuing joint operations with NTS? Political implications of working with NTS were considered.
- e. What estimate can be made of NTS motivation, loyalty to AIS, etc.?

4. With reference to question a, the strongest advocate for continued work with NTS in joint agent operations was   views on the above-mentioned five points were as follows:

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- a. NTS probably has agent potential of high enough caliber and of sufficient number to warrant exploitation by AIS. [ ] maintained this despite the unsatisfactory results produced by STAZEVICH and SHULGIN in their recruitment efforts throughout the West Coast, New York, and Chicago.

[ ] also felt that instructor personnel could be procured from the ranks of the NTS, who would be adequate for the job of training agents. This view, of course, was predicated on the belief that sufficient numbers of competent AIS case officers would be available to work with the NTS instructors.

[ ] felt that NTS aims as expressed in the CARCASS program were similar enough to those of this Government that joint operations could be successfully carried out.

- b. While [ ] agreed with the FE representatives that control of the operations insofar as documentation, training for dispatch, communications, etc. should be completely in our hands, he disagreed with FE that 100% control of the entire operation could, or even had to be, maintained by AIS, but that it should be rather on a 50:50 basis.

[ ] continually emphasized that control of the operation was a matter of personal relationships rather than iron-clad paper stipulations. Based on his own experience in CARCASS, where the relationship with OKOLOVICH and most of the NTS instructors and agents was amicable enough, matters could be "talked out" to a satisfactory conclusion.

In [ ] case, however, somewhat the reverse situation was true. In CARCASS, when an NTS instructor such as POSDEYEV started making trouble, AIS would bring this to the attention of OKOLOVICH who was always able to bring the trouble maker back into line, at least temporarily. There was no "OKOLOVICH" in the WARNACK situation: that is, an NTS member who agreed enough with our ideas and who commanded enough authority in the organization to bring recalcitrant members into line. The SR/FE members are opposed to basing future working relationship with specific individuals in NTS, who could be recalled at any time. They want a clear policy statement agreed to by both parties, which can be followed effectively regardless of what individuals are involved.

- c. The extent of commitments to NTS for the future is not great. At the present time we are not committed in any project beyond the end of 1952.

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- d. The political implications of working with NTS were considered briefly. The general conclusion seemed to be that this was not a serious deterrent to continued relations with the group.
- e. In regard to NTS motivations and loyalties, there was considerable difference of opinion. [ ] maintained that there were many elements in NTS loyal to AIS goals, whereas [ ] evidently felt that money was the primary motivation.

5. To summarize briefly the two points of view:

- a. [ ] [ ] feel that in any future operations with NTS, AIS should have the right of final decision on any points of disagreement.
- b. [ ] [ ] does not believe this degree of control is either possible or necessary. He agrees that in certain areas, such as methods and training for dispatch, commo, and documentation, AIS must have 100% control, but the solution to other problems must be on a 50:50 basis. [ ] [ ] agrees, however, that the program will only work if the NTS man in charge of the training program at DOB is a man of the caliber of OKOLOVICH, and further, that that man must have clear authority from the CENTER to deal with problems here.
- c. [ ] [ ] feel that NTS has little to offer in way of agents or operational know-how. Contrarily, [ ] [ ] feels this potential worthwhile exploiting.
- d. The FE Branch feels that future agent operations with NTS entail very substantial costs to AIS in terms of money, case officer assets, etc., which could be better utilized elsewhere.
- e. The FE Branch also seriously doubts the loyalty of NTS to AIS goals, whereas [ ] [ ] believes many elements in NTS are loyal, at least to AIS operational goals.
- f. The FE Branch finally wished to emphasize the danger arising from a lack of internal discipline within NTS. In terms of the WARNACK experience, they have found that this lack of discipline is a tremendous handicap. This resulted in lack of rapport between the NTS case officers and the agents, which quite naturally produced an unhealthy situation. Specifically, it resulted in NTS case officers making unreasonable demands on AIS case officers in order to save face with the agents.

6. The conclusions reached are the following:
- a. The transfer of the CARCASS school should be delayed until after the proposed 1 July date.
  - b. It is agreed that a new protocol must be written to provide for increased control by AIS of joint AIS-NTS operations. Before this protocol is approved, it must first be reviewed by all interested parties in the SR Division.
  - c. The desirability of continuing joint agent operations with NTS will be constantly reviewed so that a final decision on the subject can be made soonest.

[ ]

Re a above - Delay or indefinite postponement indicated.

re b above - be very cautious about protocols - it should confine itself to fundamentals, not details, and must identify our minimal requirements.

re c above - no "final" decision as necessary, possible or desirable; we will always have an interest in NTS.