Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

SECRET

25X1

STUDIES IN INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

VOL. 20 No. 3

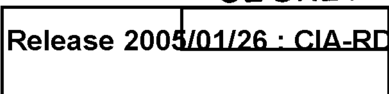
FALL 1976

TR-SINT 76-003

№ 1303

SECRET

ARCHIVAL RECORD
PLEASE RETURN TO
AGENCY ARCHIVES, BLDG.



25X1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

25X1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
SECRET

25X1

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 NOTICE

Sensitive Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

25X1

SECRET

25X1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

25X1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

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 [redacted] and need not be coordinated 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*. Supplements, separately distributed, can accommodate articles of higher classification.

25X1

DISTRIBUTION

For inclusion on the regular Studies distribution list call your office dissemination center or the responsible Office of Training desk, [redacted] For back issues and on other questions, call the Office of the Editor, [redacted] Xerox-quality copies of back articles can be obtained from Document Services Branch, Office of Central Reference, [redacted] where a complete file of *Studies* is available on microfiche.

25X1
25X1
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.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

CONTENTS

Page

American Intelligence and the Tricentennial ...... Lt. Gen. Samuel V. Wilson 1
A speech to retired intelligence officers. (UNCLASSIFIED)

A Glimpse into the History of Secret Writing .... Michael T. Carlson 9
A 2400-year chronicle of hiding messages. (SECRET NOFORN)

Clandestinity and Current Intelligence .... William R. Johnson 15
Should spies double as journalists? (SECRET NOFORN)

Intelligence in Recent Public Literature 71

MORI/HRP

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

CONTRIBUTORS TO THIS ISSUE

Lieutenant General Samuel V. Wilson is Director of the Defense Intelligence Agency.

"Michael T. Carlson" is an analytical chemist, graduated from Brown University, who spent six years as an outside contractor on secret writing before joining CIA in 1966 to continue the same research and development. A branch chief in the Office of Technical Services from 1971 to 1976, he now is on loan to the Directorate of Science and Technology.

William R. Johnson was an infantry and intelligence officer who wound up his World War II service in Czechoslovakia and went home to teach in a Minnesota college. Spurred by the Communist coup in Czechoslovakia, he resumed an intelligence career in September 1948, serving 28 years in the Office of Special Operations, Deputy Directorate of Plans, and Deputy Directorate of Operations. He now has retired.

MORI/HRP

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
UNCLASSIFIED

Director, DIA, looks at
the future of intelligence

AMERICAN INTELLIGENCE AND THE TRICENTENNIAL*

Lieutenant General Samuel V. Wilson, USA

Some years ago, a young President of the United States told the American people, "This generation has the power to be the best or the last." Much has happened since John Kennedy told us that, and depending on how you measure a generation—I'm never quite sure where one begins or ends—one more may have come along. But his words are still valid—and they are our challenge today, regardless of where we are located as individuals in the framework of American society.

The best or the last—which will it be? You are aware of the dire predictions of some that this will be the *last* for America. It seems that before this nation ever began as a shining example, a British historian, Alex Tyler, offered the theory that a democracy cannot exist as a permanent form of government—that it contains within it the seeds of its own destruction. He theorized that a democracy would last only until the voters discover that they can vote themselves benefits from the national treasury. That discovery would be followed by the election of those who promise to expand the benefits until the point is reached when the nation goes bankrupt. Not a pleasant thought.

Now couple that with another theory—this one based on historical research which suggests that the average life expectancy of a great civilization is right at 200 years. Those who hold these theories would turn our bicentennial birthday into a wake. I hope you agree with me that the title of the De Seversky book a number of years back still is more apropos—recall he wrote about an *America: Too Young To Die*.[1]

America has made it to 200 years—through good times and bad—in sickness and in health—through inflation and times of prosperity—in peace and in war. We have survived to celebrate this bicentennial year. But the question I keep hearing more and more—do we dare plan a tricentennial?

Nor does the question seem to be asked in the calm of logic—or in the context of historical perspective. Rather we hear it in the roar of the doomsayers—the loud clamor of those who think they see the end of this nation—see it slip to number two—and then continue a downward trend. Amid this weeping and gnashing, it is sometimes hard to pick out the quiet sounds of the more confident—especially the voices of those who have walked this way before—who carry with them wisdom distilled from problems of their day. Perhaps, for a moment, we should turn the volume down on the shrill and worried voices of the present, so that we can listen better as our past talks to us.

And those past voices do talk to us today. Listen. Can you hear Thomas Paine? He looked around his world and he too saw "crisis." He characterized those days as "the times that try men's souls." He forecast that there would be drop-outs when he said "the summer soldier and the sunshine patriot will in this crisis shrink from the

*From an address to the Association of Retired Intelligince Officers (ARIO), Reston, Va., 17 September 1976.

[1] Alexander P. De Seversky (McGraw-Hill, New York, London, 1961).

MORI/HRP PAGES 1-7

UNCLASSIFIED
Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

service of their country." Listen as Paine speaks to us today as he adds for all who hang in there:

> Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly; it is dearness that gives everything its value. Heaven knows how to put a proper price upon its goods; and it would be strange indeed if so celestial an article as freedom should not be highly rated.[2]

Now eavesdrop on a conversation in Philadelphia. When the discussion of what kind of nation America should be was over, a woman is reported to have asked Franklin, "What kind of government have you given us?" And Franklin, reflecting on the frailty of the new nation, and predicting the doomsayers heckling even to today, answers: "A republic, madam, if you can keep it."

Listen to Franklin today—"A republic, ladies and gentlemen, *but only if* we can keep it."

Not all of our forefathers reeked of confidence that the nation would see a centennial, let alone a bicentennial. John Adams, close enough to the dream to have thought better, is speaking. Hear him prophesy: "There never was a democracy that did not commit suicide." Disturbing? It shouldn't be—he just presented the other side of Franklin's coin—that of the *need* for us in the U.S.A. If the nation is to survive, Franklin told us, it's up to us to keep it; if it is to die, it will be we who kill it—the suicide that Adams speaks of. Perhaps what those early voices are saying to us is that this happening called America cannot be taken from us—but we do have the power to give it away. You may not have thought about this, but that is a distinction the founding fathers didn't want to allow when they wrote the Declaration of Independence. When Jefferson penned the original draft, he wrote of *in*alienable rights, but the revision committee—Samuel Adams, Franklin, and Jefferson himself—changed it to *un*alienable. The distinction is significant. *In*alienable means it can't be taken away without consent of the possessor, but he may sell it, abandon it, or give it away. *Un*alienable is now an archaic word, but in Jefferson's time it had a precise meaning and was commonly used. It meant that which could neither be taken away nor given away. Let's just be sure we hear those voices of the past as they tell us of an America that should not be able to be taken nor given away.

There are nation-states who have not listened to the voices in their own history, and we know well what happened to them. It is sometimes helpful for us to recall that when this nation was founded, there was a Holy Roman Empire, France was ruled by a King, China by an Emperor, Russia by an Empress, Japan by a Shogun—Germany and Italy weren't even nations, just conglomerates of bickering principalities—Venice was a Republic. Now in the time it has taken for America to grow, all of those ruling regimes and scores of others have passed into history.

Some Americans have listened, and some are listening today, but it seems that there have always been those who wonder "How long can it last?" Can you decipher the accent as the French historian Guijot asks the American poet, James Russell Lowell how long the American Republic can last? You shouldn't have any trouble with Lowell's answer: "It will last as long as the ideals of its founders remain dominant." And that places the burden not on impersonal outside forces, but squarely back on us; it puts the monkey on our backs. The voices from our history convey one major overriding theme, "It's up to us."

[2] Opening paragraph, *The Crisis*, 1776.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

UNCLASSIFIED

Please indulge me when I say to you, a group of tried and proven American patriots, that I hope the message of my voice comes through loud and clear today. It is a statement of conviction. It says simply that America is alive and well—and will stay that way *until* Americans choose otherwise—and nobody consciously wants to make a choice like that.

I believe that you as former members of our nation's intelligence arm will agree that we can see the potential still for some *interim* decisions and *contemporary* actions which might result in some bad choices for the future, perhaps unconscious ones. I speak about some fundamental concerns I know you share about what has happened in the U.S. foreign intelligence community.

From December 1974 around to late Spring 1976 we were being treated to daily and nightly horror stories and exposés about the U.S. foreign intelligence community on our television sets and in our newspapers and magazines. We were charged with nearly every offense in the book, from "massive" domestic spying to being unable to warn our nation of impending attack.

All too often it seemed only the accusations and allegations were making headlines, and the denial and truth of the matter seemed to be played down. I can only hope that the American public is not going to come to believe unfounded allegations simply because they get repeated so often.

We must face the fact that there were issues to be faced up to. And we did face up, but to a degree we were caught up in the power dynamics of the checks and balances system at work, in a sort of political tug of war.

I must reiterate that a number of the concerns expressed regarding our past and potential abuses were real and had to be dealt with.

But the competence and effectiveness of the U.S. foreign intelligence effort were coming under attack. There was the charge of intelligence failures, that our intelligence is not worth the cost—in whatever terms. That was—and is—the nexus of the problem.

Now, I firmly believe we are coming out all right in the end—with better, more explicit legislation, effective congressional oversight with tighter procedures. The rights of citizens under the first and fourth Constitutional Amendments continue to be protected, and we are going on.

There was a great danger in the interim period, however. Some of it may still exist.

- There was and remains the fear of unnecessary revealing and thereby compromise of sensitive intelligence, sources and methods.
- The signs of approaching crises conceivably could have been missed because of senior management's preoccupation with other matters. We still worry on this score.
- There was a deteriorating morale situation throughout the intelligence community. And components of the community seem to me yet to be somewhat more at sea than they should be.
- Further, we are still concerned lest overly proscriptive legislation be developed for the future and so constrain our activities that we cannot carry them out effectively.

UNCLASSIFIED

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
UNCLASSIFIED

In essence, our job in the next few months is to emerge from this crisis in intelligence with a workable institution without undergoing irreparable damage in the process.

I am certain that no one in this room doubts the need for America to have a strong intelligence service. Some few in our country apparently do doubt it. Others say they believe in one, but they would so expose and unwittingly hamstring it that it could not operate effectively. Still others, who favor an effective intelligence service, question whether our service is properly controlled and properly focused. We must listen carefully to the voices of the latter.

Some responsible people feel the intelligence community itself has been the cause of some of these doubts. The old traditions of total secrecy and silence have been under attack because many fear that they have been used to cover abuses. Of course we cannot condone abuses. We must not call upon secrecy to hide failures or wrongs in our past.

But when, for example, an operation that involved three agents is proclaimed as "massive;" when the normal loan of CIA employees to other government agencies at the latter's request is called "infiltration;" or when conspiracy theorists mouth CIA complicity in the assassination of President Kennedy despite flat and factual denials, then the American people are understandably troubled.

We don't want that. We want and must have their implicit confidence. Recall that the United States intelligence community itself brought out and exposed the missteps and improprieties of the past 28 years. In 1973, the Director of Central Intelligence set out clear directives that any activities not in full compliance with the laws of the United States would cease immediately. They stopped. As many of you know, we ourselves came forward and gave our investigators the results of our own self-examinations and what we had done about our findings. Paradoxically, instead of improved confidence we were being hit over the head with facts that we ourselves provided *voluntarily*.

Recall that against the service our intelligence has rendered the nation over the past 28 years, those improprieties were truly few and far between. Less—I would submit—than any other agency of government. We here recognize that such missteps as there were must be looked at in the context of the times. For example, it is not easy to explain to people who didn't live through it, just what Pearl Harbor meant to America and the strength of our national commitment *never* to be taken by surprise again. It is equally hard to recall the days of the Cold War and the strength of our commitment to stopping "the Communist menace."

Times change. The national point of view changes. Some of our national values may change. We cannot, however, use our changed values to make scapegoats of the dedicated men and women of our intelligence community who have served and continue to serve their country in an anonymous and demanding craft.

Of course, America cannot and must never allow abuses in its intelligence services. Abuses must be identified and ended. We *have* identified and ended them. The people have been told about them. *We* told them. Now they must ask themselves whether it serves their interests—America's interests—to expose intelligence secrets and activities that are valid, yes, critical, and that have nothing to do with "abuses."

We cannot oppose investigation. On the contrary, we welcome it. But just as intelligence must be responsible, investigation must be responsible. The investigations

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
UNCLASSIFIED

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

UNCLASSIFIED

of the intelligence community had as their primary aim recommendations for executive and legislative actions to ensure that American intelligence fits American standards.

The laws that created most of our national security structure were purposely left vague back in 1947. The Director of Central Intelligence has recommended tightening those laws so that the charter of the CIA, for example, specifically refers to "foreign" intelligence. Other changes may still be desirable to clarify lines of command and authority within and among members of the intelligence community. Again, we welcome such changes.

As I said, American citizens have every right to expect their intelligence service to be responsible, to protect them and their country. But senseless exposure of America's true intelligence secrets can cause great damage. Our adversaries find it all too easy to close the chinks in their armor when we obligingly make them public. As the former Director of Central Intelligence has said, "Security must not be sacrificed for sensationalism. Protection must not be jeopardized by publicity."

The revelation of true intelligence secrets makes exciting reading in the morning paper. It is soon forgotten by most readers, but not by our adversaries. Enormously complex and expensive technical intelligence collection systems can be countered. Need I remind this particular audience that dedicated and courageous men and women who risk their lives to help America can be exposed and destroyed? I don't think the American people want this to happen especially when our adversaries—dedicated to the proposition that we eventually must be defeated—are hard at work. But Americans must understand or they will inadvertently cause this to happen.

Instead they hear a lot about "intelligence failures." They've been told that the American taxpayer is not getting his money's worth for his intelligence dollar. They've been told that American intelligence cannot warn of imminent attack.

We know the truth of the cliché "Victory has a thousand fathers, defeat is an orphan." And our version: "Our defeats and mistakes are trumpeted; our successes pass unnoticed and unknown."

Somehow, though, Americans have got to come to realize that America has good intelligence—the best in the world. It is time for them to know our country *is* safe from a sneak attack. It is time for them to know our country *is* getting a bargain for its intelligence buck. It is time for them to know the American intelligence record *is* studded with success after success.

It is time for them to know:

- That American intelligence spotted the Soviet nuclear missiles being delivered to Cuba in 1962 and supported the President as he worked through 13 nightmarish days to force their removal;
- That American intelligence gave seven years' warning on the development of the Moscow anti-ballistic missile system;
- That American intelligence pinpointed eight new Soviet inter-continental ballistic missile systems and evaluated the development of each three or more years before it became operational;
- That two major new Soviet submarine programs were anticipated well before the first boats slid down the ways;

UNCLASSIFIED

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

- That we knew the status and design of two Soviet aircraft carriers well before the front one put to sea for sea trials;
- That American intelligence successfully monitors and predicts trends in oil prices and tracks the flow of petro dollars. That these things impinge on their pocketbook and on their everyday life;
- That American intelligence each year turns to the key task of assessing world crop prospects, which has to do with the price of the market basket we all must buy, with the world food problem;
- That American intelligence monitors compliance with the strategic arms limitation agreements. We do not have to estimate. We do not have to guess. We *know* whether our possible adversaries are keeping these agreements—that this is a new job for intelligence: keeping the peace and restraining the arms race;
- They have to know that the bold technical thinkers; the courageous people on hazardous duty in strange lands; the gifted analysts puzzling out mysterious political and military moves made by unpredictable people in far and closed societies are more than craftsmen—they are dedicated, talented artists.

Intelligence is more than a craft. It is more than a science. It is indeed an art. We do not have a crystal ball, and we can't yet provide a copy of the 1980 World Almanac. And we may not predict the given hour of a particular coup or revolution—any more than a weatherman can make a flat prediction that it will start raining at precisely 0920 hours tomorrow. We can't tell what God is going to do on Tuesday of next week, especially when he hasn't made up his mind. But we probably can tell when he's getting mad. You and I know all of this—but the American people don't—and they are confused. They don't realize our primary function is to provide the leadership of this nation with the deepest possible understanding of the military, political, social, and economic climate of countries that affect vital American interests. Our mission is to see that our leaders know about what *may* happen in the world beyond our borders and about the forces and factors at work there. The American taxpayer should know we do this job well, despite our problems.

In fact, when they see a statue of Nathan Hale—like the one in front of the CIA Headquarters building—they recall his voice from the past. But they don't go beyond his words enough to take a close look at him. For that shows his hands are tied behind him and his legs are bound with a rope, just as he was bound before the Redcoats hung him for attempting to steal their secrets.

They, not fully understanding, accept that statue as the way it should be. Somehow we have got to secure their support *to help us get the ropes off of Nathan Hale*. Failure to do that would be to neglect the voices from our past, to jeopardize our freedom, and to endanger our tricentennial.

And behind all this is that powerful foreign adversary, ready to take advantage of our missteps. Let's talk for just a moment about him.

What I say here is my own opinion based on personal experience, which comes from living with him, of what the other guy feels about us:

The Soviets have profound respect for the United States, especially for our ability to produce in an economic sense. They have been pursuing Stalin's will-of-the-wisp goal of "catching up with and surpassing the U.S." in productivity ever since the 1930s and still have not attained it.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

The Soviets distrust the U.S. and are basically afraid of us. They picture us as killing our presidents, assassinating our minority political leaders, demonstrating in the streets, criticizing ourselves, and slashing at each other without mercy. As one Soviet general put it to me, "You Americans are crazy. You are a temperamental and immature society. No one can predict how you may react on a given occasion." And, historically, they have guessed wrong, as during the Cuban Missile Crisis. They also mis-guessed us in Indo-China and feel we vastly over-reacted to the problems posed for us there. In a sense, our very unpredictability may act as a certain deterrent for them.

The Soviets seem to believe their own propaganda that we are disintegrating as a society, but they worry about what we may do in our death throes. At the same time, they will not hesitate to do whatever they can discreetly to hasten our demise. Their strategy is to press us politically, economically, psychologically wherever we are weak and where the risks are slight, particularly in the low-intensity conflict arena in the underdeveloped world; to bleed us and to embarrass us, while striving for across-the-board military superiority, especially in strategic weapons systems—in other words, a form of nuclear blackmail.

There is a definite dichotomy—if not trichotomy—in Soviet attitudes toward us, as one perceives them from a close-up position in Moscow.

a) In face-to-face contacts, the Soviets profess a desire for our friendship, want the benefits of trade with us, are sensitive regarding our relationships with China. Some of the leading Soviet military figures have made statements in private conversations to the effect that "If we could only really get together and reach a true common understanding, we could take care of all the world's problems. We could decide everything."

b) The Soviets respect us but are deathly afraid of us. They further are inclined to overestimate our military capability and to worry that we could be reckless in employing it.

c) Finally, they still view us as the ideological enemy of long standing, which means that an adversary relationship between the U.S. and the USSR continues to exist and is not likely soon to go away.

With that as a reality, we cannot afford to ignore the voices of the past, we cannot permit a shackled Nathan Hale—nor can we as professional intelligence officers really fully retire until we have done all we can to ensure that America understands the reality, hears the voices, and unties the hands of Nathan Hale. For it may very well be on these things that the best generation or the last generation depends.

My good friends, I know many of you personally—have worked with you and for some of you—know your great abilities and your dedication. You are, collectively, an important voice today. One of these days I hope to join you and together we will go on saying what America must continue to hear. In the meantime, you have my total respect for the contributions you have made in your lifetimes and continue to make today. In recognition, I block my heels and give you my snappiest and proudest salute. Thank you.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

A 2400-year chronicle of hiding messages

A GLIMPSE INTO THE HISTORY OF SECRET WRITING

Michael T. Carlson

Of all the many methods of clandestine communications, none offers more romance and intrigue than secret writing. It is a personal communication, usually through international mail, between two parties and—except for whispering—is probably the oldest way of passing secrets.

The evolution of secret writing can be seen from two perspectives. One is to look at the various types of secret inks in use today by the many intelligence services. The trends in secret writing, from the developing countries to the more sophisticated ones, offer an insight to its evolution. The other, and more interesting way, is to work up to the more advanced methods through a chronological history of the subject.

Like any other weapons race, secret writing is a matter of being at least one step ahead of the opposition. The Soviet-American race is of particular interest today and represents a good example of how technology in many scientific fields follows parallel courses.

While today's students of the subject are deeply engrossed in the science and technology involved, early investigators thought of secret writing as an art. It is this evolution from art to science which has greatly influenced the "state-of-the-art" of most intelligence services.

Probably the most complete report written on the technical aspects of secret writing was published at the end of World War II by the U.S. Office of Censorship.[1] It is a compilation of all data and information concerning secret writing either openly published or obtained from classified documents. While this report does list all then-known secret inks and their developers, as part of a manual concerning enemy methods of concealing secret messages, it also contains interesting passages on the history of secret writing. Some of these are worth quoting as an introduction to the subject up to the end of World War II.

> According to one source, the first secret ink was known in 230 B.C.[2] and consisted of an extract of gallnuts. It was developed by the use of copper salts and was thus very similar to present-day gallic acid inks. From that time to the fall of Rome there was increasing use of the art, apparently largely by traders, particularly between Greece and the East.
>
> Classical writers make mention of this and of the use of secret writing by amorous maidens. For the latter, Ovid and Ausonius recommended milk, which was developed either by holding close to the fire or preferably with powdered ashes.

[1] *Secret Inks Technical Manual* (*OCTMAN*), Laboratory Section, Technical Operations Division, Office of Censorship, August 1945.

[2] Secret *writing*, as distinguished from secret ink, was described at least 200 years earlier by Herodotus, who cited a technique in which a courier's head was shaved, a secret message written on it, and his hair was then allowed to grow back, concealing the message. The addressee shaved the courier's head again on delivery.

MORI/HRP PAGES 9-14

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Pliny, about the same time, noted that a great variety of fruit juices and vegetable juices could be used and developed by heat.

During the middle ages, monk physicians and alchemists were interested in the use of secret writing to pass on to their disciples their secret discoveries. The earliest recorded use by those medieval scholars was in the twelfth century, but from then on there was increasing notice taken of the subject. Paracelsus apparently drew pictures with cobalt salts, and these miraculously changed color with the seasons, a phenomenon which was later the basis of secret inks.

In the sixteenth century, Jean Baptiste Porta in Naples apparently rediscovered the use of gallic acid and fruit juices.

Some time during the seventeenth century secret writing became a matter of interest to a number of scientific observers and, like all branches of science, profited by the principles of thought laid down by pioneers like Robert Boyle. During this period the scope of secret inks was very greatly broadened to include a number of specific channels, but even so the general tendency during the period was toward writing which could be very readily developed, preferably by heat or exposure to light. It was considered a disadvantage for a secret ink to require a specific developer.

During this period, Le Mort introduced the term "sympathetic ink" when applied to secret inks, and this designation has persisted in French to this day. He was evidently referring at the time to lead acetate writing rendered visible by hydrogen sulfide, a phenomenon which was variously regarded as depending upon miraculous or magnetic forces. Thus Brossonius, writing a treatise in the seventeenth century, describes a "magnetic fluid" made from "arsoniated liver of sulphur" and only visible when looked at with "eyes of affection." This was the dying gasp of alchemy.

In 1663, Robert Boyle, and in 1669, Otto Tachen, and soon a number of others pointed out that there was nothing magnetic about secret inks and their behavior could be interpreted by the simple laws of chemistry. M. Hellot, in 1737, published the first comprehensive article on secret writing in "Mémoirs de l'Académie Royale des Sciences."

Espionage during the American Revolution was full of examples of secret writing. British spies, including Benedict Arnold and Major André, made extensive use of secret inks in their voluminous correspondences. Their inks were probably devised by Benjamin Thomson, an avowed loyalist, who later became known as Count Rumford, a renowned scientist of his time. Carl Van Doren [3] refers to secret writing in several well-documented instances:

> They carried 18 sheets of instructions from Dunmore "in a secret manner invented by, and executed under the inspection of, his Lordship. All these papers were concealed in the mail pillion-sticks on which the servant carried his portmanteau, they being made hollow for that purpose and covered with tin plates, and then canvas glued thereon as usual."
>
> The correspondence between André and Stansbury . . . might use invisible ink to be brought out by the application either of heat or of acid. If they did

[3] *Secret History of the American Revolution*, (Augustus M. Kelley, Clifton, N.J. 1973).

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

this they were to put a mark on each letter to indicate the kind of ink used. "In writings to be discovered by a process, F is for fire, A acid."

One of Arnold's letters to André, received by their intermediary Odell, contained secret writing but Odell could not bring it out. In his letter of apology to André, Odell wrote:

> I am mortified to death, having just received (what I had been so anxiously expecting) a letter from S----, and by a private mark agreed on between us, perceiving it contained an invisible page for you. I assayed it by the fire, when to my inexpressible vexation, I found that the paper, having by some accident got damp on the way, had spread the solution in such a manner as to make the writing all one indistinguishable blot, out of which not the half of any one line can be made legible.

On the Colonial side, Silas Deane, reporting from Paris to the Committee of Secret Correspondence, first used a heat-developed invisible ink of cobalt chloride, glycerine, and water. Dr. James Jay, a physician who was the brother of John Jay, developed a "sympathetic stain" for reporting military information from London to America. Later Dr. Jay, who had been knighted by George III, provided some of his "stain" to Deane in Paris and to General Washington at home. Jay's stain required one chemical for writing and a second to develop it, affording better security than Deane's original ink.

During World War I, it appeared that all the intelligence services were hard at work on the problem of clandestine communications. However, many of the secret inks developed then were already well known historically. They were all written with liquids, and this in itself was to be very destructive to the German Secret Service. This came about by a joint U.S.-British discovery that liquid writing could be detected by virtue of paper disturbances caused even by writing with plain water. The detection reagent they discovered was simply a preferential staining caused by iodine vapors. Once the Germans learned of this, they resorted to a restoration technique to avoid detection and again were back in business. Interestingly, the Germans developed several good secret inks, one of which excited so much interest on discovery in Britain that the King and Queen visited the laboratory and signed their names in it.

> . . . Secret writing, it appears from published articles, . . . had never been treated very seriously during the hundreds of years prior to the first World War. During that war, enormous advances were made, and the supposition is that both Britain and Germany continued actively and aggressively in the field after the war. It would appear from Mr. Yardley's book [4] that the United States at that time was above such things.

World War II brought to light many of the complexities of secret writing. The Germans, now well aware that restoration techniques were necessary to defeat detection of their secret messages by iodine, turned to vehicles other than water for message preparation. They used various photographic means of concealment, particularly the use of microdots, to avoid interception of their messages. They apparently did well with the microdot communications, because even with what we today consider to be microdots of unusable size and density, detection could be made only by a careful screening of the mail. Colonel Abel was apparently very successful in communications with microdots.

[4] Herbert O. Yardley, *The American Black Chamber* (Dobbs-Merrill, Indianapolis, 1931).

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

More important, the Germans recognized the need for other dry writing techniques and introduced innocent looking matches with special inks in the match head to be used as direct writing devices. With the discovery of these, and other German technical advances, the British and American censorship teams geared up to find new detection systems and a veritable cat-and-mouse game naturally ensued. The chemistry involved in these secret writing systems was basic. Colorless inks, invisible on (white) paper, were made visible (colored) by simple chemical reaction. This required that the concentration of ink be rather high, inasmuch as just conversion, not amplification, of the ink was effected. Better systems, requiring lesser amounts of ink, were developed. These were usually based on chemical catalysis whereby amplifications of ten to twenty times were achieved. This meant that less ink was needed and, of course, tended to make the secret messages harder to detect by censors. While much was learned by both sides, modern secret writing did not come into focus until after World War II.

The advent of the Cold War, by its very nature, increased all types of espionage activities and along with it the need for secure agent communications. For the brief few years between the Hot and Cold Wars, this country had no strong interest in continuing development of new secret writing systems. Interest in the subject was quickly revived, however, when the Cold War brought confrontation with the USSR and this country became aware of the obvious use of secret writing as a primary means of communications between Soviet agents and their Center. Samples of secret writing materials obtained from various defectors, double agents, and arrested enemy agents were carefully analyzed by the Agency's and the FBI's technical staffs in an attempt to learn the technical capability of the Russian intelligence services. Many of these secret writing materials defied analysis due to the minute amounts of secret inks found in the Soviet "carbon" sheets—a dry transfer technique which the USSR apparently learned of at about the same time as our own researchers. "Carbon" sheets are normal-looking paper impregnated with powdered secret inks, used in much the same manner as secretarial carbons. They successfully replaced the use of cumbersome liquid inks but also introduced new problems. Pressure indentations of the writing during the transfer process also had to be restored to prevent possible detection, again by an iodine reagent. Early carbon preparation was done using inert diluents, such as talc, to distribute the secret ink evenly. This was quickly abandoned when it was learned that opposition censors could lift the talc particles simply with a tacky substance such as scotch tape. Newer methods were devised in which only the pure ink was left on the carbon. The minute and often undetectable ink in the Soviet carbons made it obvious that they too had advanced in techology.

Only after countless hours of research and analysis of these "high-level" Soviet carbons did the technology involved in these systems become apparent to our scientists. (They were later able to predict accurately the course Soviet secret writing was taking.) Their ideas were fully proved out by information and materials (developers for the secret inks) which were supplied by Russian agents (both defectors and double agents). A classical case is that of the Soviet spy Kaarlo Tuomi, who after being caught immediately on entry into the United States from Canada provided FBI agents with his secret writing materials. Tuomi's secret writing developers were disguised as "a bottle of laxative tablets . . . American brand name . . ." [5] Later, yielding to FBI pressure, "Tuomi watched as the tray of chemicals he held brought the message slowly to life."

[5] John Barron, KGB: *The Secret Works of Soviet Secret Agents* (Reader's Digest Press, 1974).

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Subsequently other captured agents, worldwide, such as Lonsdale in England, Wennerström in Sweden, and Baltch in the United States, to name a few, were to be found to have high-level systems based on the same technology, but still unique in each case, as each Russian ink was different chemically. (Lonsdale has been quoted as bragging that western intelligence would never figure out the complexity of his secret writing system.) This verified apprehensions that the Soviets were aware of technology we had hoped would be unique to the Agency.

Fortunately, Lonsdale's remark was by no means true. Indeed, it was the simplicity of systems like his, and not the complexity, that was not only the basis of Russian ingenuity but also of contemporary American research.

American researchers in the early 1950s were investigating the possible use of "seed" crystals, not unlike the phenomenon of seeding clouds, for secret writing. Basically the concept itself represented a quantum leap in secret writing technology. Early experiments were immediately successful and continued to be exploited to the point that trace amounts of crystalline materials placed to form an invisible message could be read out by immersing the secret writing in a specific developer solution to induce crystal growth. This seeding phenomenon, referred to as nucleation of crystal growth, immensely changed the whole concept of secret writing. It allows for virtually unlimited numbers of secret writing systems to be developed. One scientist, albeit with some exaggeration, described the amount of secret ink needed on a carbon sheet (which can be used many times) as being equivalent to "uniformly spreading a spoonful of sugar over an acre of land." This is tantamount to having amplification factors in the hundreds, if not thousands.

To many versed in the science and technology of secret writing, any other singular giant step would be akin to Kodak developing a commercial no-film-required camera or Polaroid successfully marketing a cameraless film—both not impossible but extremely difficult.

Today, this neck-and-neck race continues. In the Eastern Bloc, only the Russians are known to be using crystal growth for secret writing—another indication of how little information they pass on to their "friends." In the western world, we have directly passed on necessary information to our close allies in an attempt to upgrade their abilities.

While secret writing may seem to be a straightforward proposition to most users, complexities can (and do) arise in many ways. Richard Helms in a talk given before the Council on Foreign Relations on the Cuban crisis said "and the agents usually had to report through the mails in secret writing." What he didn't say was that Cuba had become a denied area, inaccessible to our people, and like prisoners of war, Cubans sympathetic to our cause could be contacted only through the mails. The old use of veritable double-talk and discrepancies intentionally placed in the open letters to those isolated individuals gave clues to what was really in those letters—and they responded!

The future of secret writing will certainly find new and better ways to communicate securely through the mails. Modern technology in lasers, computers, and display systems may offer new breakthroughs both in message sending and in technical censoring. One interesting aside to note here is that in the operational use of secret writing, even the slightest detection of the presence of secret writing can be fatal. Security is only in its total non-detectability. It now is considered not only an advantage, but a real necessity, to have a specific developer for each secret ink.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Secret writing, like other clandestine communication systems, will continue to exist as long as the need for it is there. It is hoped that the history of secret writing will continue to be recorded and available to researchers in that field.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

This study, prepared at OTR's Center for the Study of Intelligence, presents the personal point of view of an experienced and thoughtful DDO officer, recently retired after 28 years of service. It is the kind of argument seldom put to paper, but often heard orally in places where Agency shop is talked. Some will agree heartily with the author's conclusions; others will reject them vigorously. But most who read the monograph will find it engaging and lively, full of challenging comments on the state of our Agency today.

CLANDESTINITY AND CURRENT INTELLIGENCE

William R. Johnson

This paper has one main theme, that the production of current intelligence and the conduct of espionage are incompatible.

The argument will be that our present plight was caused by our inability, or at least our failure, to maintain the clandestinity of our clandestine operations, and that this failure resulted in large part from the corruption of our espionage disciplines by those of journalism. I do not mean that commercial journalists themselves have corrupted the process, or that the printings of commercial and academic journals have damaged the discipline of espionage. I mean rather that the techniques employed by journalists and the journals to gather and report information have been appropriated by our clandestine service and have seriously degraded our emphasis on the real technique of espionage.

I shall not argue that current intelligence should not be produced, and I shall not argue that espionage should not be conducted, for as a relatively old hand in the spy business I have had a personal need for the one and a devout commitment to the other. But I shall try to demonstrate that efforts to combine the two activities in the same organization have caused and continue to cause the transformation of espionage into something non-clandestine. This is not because espionage does not on occasion produce information that is current, but because such information cannot be produced continuously, by espionage, in the volume that consumers of information on current events require. When espionage tries to compete with journalism, it changes its character, can no longer be itself, and cannot do its proper job of providing the raw material needed for truly significant intelligence production.

The conclusions reached at the end of this paper do not include recommendations for specific organizational change. Research for this paper has required perusal of too many specific recommendations by too many Commissions, Task Forces, Select Committees, and Professors of Government, all vain of effect, to let this commentator hope that specific organizational recommendations from any quarter will have any immediate impact on the superstructure or the infrastructure of the nation's machinery for supporting the conduct of foreign affairs with intelligence.

MORI/HRP PAGES
15-69 of this document.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

But perhaps this paper may serve as a catalyst in a changing mental chemistry of officialdom. Such chemistry would seek to alter the frame of mind of executives, managers, analysts, estimators, and operators toward two forms of activity:

> *Current reporting.* It would be recognized broadly that current information, whether political, economic, or military, and whether related to an immediate crisis or a continuing situation of routine concern, is a perishable, high-volume commodity. To satisfy a continuously changing customer demand, it must be collected and processed into intelligence continuously and rapidly. Its sources are primarily overt, and their exploitation requires a strong, open apparatus among overt agencies of the government.
>
> *Espionage.* An activity illegal under foreign law, it provides, when efficiently planned and executed, the material of finished strategic intelligence. Because its planning and execution require foresight and phased preparation, it cannot produce volume without degenerating into the mere purchase of easily acquireable information at low risk, i.e., without competing with the overt collectors at the expense of its own discipline.

The chemistry I seek might also dissolve whatever congenital lesions and historically conditioned thought patterns cause the syndrome of what is later called in this paper: "candoism." It might help alter the pattern of our Service's present knee-jerk reaction to every stimulus from the other organs of government, including those which happen to be sheltered and paid within the same Agency, and of compulsively devising ways to interact with those other organs in ways not related to our basic mission. It might give us a maturity, a confidence, a feeling of security that would permit us to cease competing outside our own proper territory and to steady down to a real performance. We might then afford an understanding of those other organs of government (and of the Agency) that would permit more effective cooperation and interaction.

The argument of this paper may appear to put aside rather arbitrarily other notorious causes of our present dilapidation, so belabored in the press, in the legislature, and in our own troubled discussions inside the shop:

> *The overtness of paramilitary and psychological warfare operations.* Harry Rositzke handles this rather succinctly: "The broad assortment of propaganda, political, and paramilitary operations was assigned to the secret intelligence service in order to hide their official sponsorship . . . 'Plausible denial' . . . was even then a hollow phrase, for it was impossible to deny operations that were exposed. . . . What was always an uneasy pairing became in time a self-defeating amalgam of disparate missions, and the damage not only to the reputation of the CIA but to the conduct of secret intelligence became progressively more serious." [1]
>
> *The corrosion of intelligence analysis and reporting by political action.* A foreign commentator's summary of this painful subject is as good as any of our own: "Individuals who work for an organization that displays a strong commitment to a policy or outlook will be tempted to send back news which shows that they are on the right side, and to ignore or underplay uncomfortable facts so as not to risk unpopularity with their colleagues and superiors. In these circumstances, it is not always possible to distinguish between what is seen and what is regarded as expedient to see. . . If the intelligence service is dominated by a group of

[1] "America's Secret Operations: A Perspective," *Foreign Affairs LIII, 2* (January 1975), 341-344.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

powerful decision makers, it will become the prisoner of these decision makers' images, dogmas, and preconceptions. Instead of challenging these dogmas and correcting these images when they clash with its objectives findings, the intelligence service will be no more than a rubber stamp of these preconceptions." [2] The writer is speaking of Israel's failure to anticipate the Egyptian attack at Yom Kippur in 1973, but how many examples can we not think of in our own experience, from the Ardennes Offensive of 1944 to the collapse of the Vietnamese army in 1975, in which our intelligence was corrupted by one or more of the factors listed above? And who now will deny that nowhere is there a stronger "commitment to a policy or outlook" than by a Service that is actively supporting a political faction, movement, or government with funds, advice, equipment, paramilitary resources and propaganda?

The bureaucratic stultification that accompanies bigness and power. The *bigness* has not much afflicted the espionage elements of the Service, but these have been afflicted by the bigness of the covert action elements, which grew like Jack's beanstalk in the early fifties, and of the agency overall, which is sometimes attributed (by Lt. Gen. Daniel O. Graham, for example) [3] to the Director's community-coordination position and sometimes, conversely, to the Director's failure to coordinate and consequent need to expand competitively. The *power*, says our former colleague, Tom Braden, "was too easy to bring to bear—on the State Department, on other government agencies, on the patriotic businessmen of New York, and on the foundations whose directorships they occupied. The Agency's power overwhelmed the Congress, the press and therefore, the people." [4]

In the argument that follows we shall not be able to avoid considering the destructive forces just listed, for they are closely related to the incompatibility of current collection and espionage. All are products of the same history.

History: How OSS Won the War

Dr. Ray S. Cline, who headed the first current intelligence production office in the Coordinator of Information's Research and Analysis Branch, and went on for 30 years to serve in such positions as Deputy Director for Intelligence, Chief of two of the Clandestine Service's larger stations [redacted] and Director of State's Bureau of Intelligence and Research (INR), remarks that current intelligence is always a saleable commodity.[5] That is certainly true at the present time, for most officials in Washington keep abreast. They read *Time* and *Newsweek*, the *New York Times* and the *Washington Post*, sometimes the *Economist* and the *Wall Street Journal*,

25X1

[2] Avi Shlaim, "Failures in National Intelligence Estimates: The Case of the Yom Kippur War," *World Politics, XXVIII*, 3 (April 1976), 348-380.

[3] *U.S. Intelligence at the Crossroads, USSI Report 76-1* (United States Strategic Institute, Washington, 1976), 11*f*.

[4] Tom Braden, "What's Wrong With the CIA?", *Saturday Review*, 5 April 1975, 2. Roger Hilsman ("Intelligence Through the Eyes of a Policy Maker," *Surveillance and Espionage in a Free Society*, Richard H. Blum, ed., New York, Washington, London 1972) 171*f*), attributes the power of CIA to nine sources: size of staff, ability and talent of personnel, money, control of information, secrecy, patriotic appeal, political leverage, speed of communications, and (for many years) the family relationship of the Director with the Secretary of State.

[5] Seminar, 15 July 1976, Center for the Study of Intelligence. A draft of Dr. Cline's *Secrets, Spies, and Scholars* (Acropolis Press, Washington, D.C., 1976) was used at this seminar several months prior to publication.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

occasionally, if able, the *Neue Zuericher Zeitung* or *Le Monde*. Those in foreign affairs read the daily and weekly summaries published by CIA's Office of Current Intelligence (OCI). The President and a handful of other officials read, from OCI, the *President's Daily Brief*, familiarly called the PDB.[6] Let us look briefly at the origins and evolution of the PDB, starting with General Donovan and OSS.

Since one cannot talk about intelligence without talking about government, and about government without talking about bureaucracy, the history of government, and of intelligence, is largely an account of the internal, often internecine politics of bureaucracy.[7] General William Joseph Donovan was a patriot who worked within the bureaucracy to help get the war won, starting with British help before the United States was formally in it. At many points his colleagues in government found his actions disruptive and expansionist, that is, in conflict with their own. On 8 April 1941, General Sherman Miles, then G-2 of the Army, wrote to Chief of Staff General George C. Marshall:

> In great confidence O.N.I. tells me that there is considerable reason to believe that there is a movement on foot, fostered by Col. Donovan, to establish a super agency controlling *all* intelligence. This would mean that such an agency, no doubt under Col. Donovan, would collect, collate and possibly even evaluate all military intelligence which we now gather from foreign countries. From the point of view of the War Department, such a move would appear to be very disadvantageous, if not calamitous.[8]

State's reaction to Donovan was expressed by Breckinridge Long, an Assistant Secretary:

> Bill Donovan—"Wild Bill" is head of the C.I.O. [sic]—Coordinator of Information. He has been a thorn in the side of a number of the regular agencies of the Government for some time—including the side of the Department of State—and more particularly recently in Welles'. He is into everybody's business—knows no bounds of jurisdiction—tries to fill the shoes of each agency charged with responsibility for a war activity. He has had almost unlimited money and has a regular army at work and agents all over the world. He does many things under the *nom de guerre* of "Information." [9]

Because one of the benign ways to promote one's purposes within a bureaucracy is to get close access to the Top Man and then keep his interest so that the access, and the influence it provides, continue, it was important to Donovan, the man with the new idea, a Republican who had been close to President Hoover but knew Franklin

[6] *CIA Intelligence Support for Foreign and National Security Policy Making*, Center for the Study of Intelligence (January, 1976): "Broad spectrum reporting from CIA is conveyed principally through the *National Intelligence Daily* and *Bulletin* and by the *President's Daily Brief*."

[7] See Anthony Downs, *Inside Bureaucracy*, a Rand Corporation Research Study (Little Brown, Boston, 1967).

[8] Thomas Francis Troy, *Donovan and the CIA*, Intelligence Institute, OTR, CIA, 1975,1,55. Troy's footnote cites "Memo, Miles to Marshall on 'Coordinator for the three Intelligence Agencies of the Government,' April 8, 1941. Records of the Army Staff, Army Intelligence Decimal File, Records Group 319 (Wash. Nat'l Records Center, Suitland, Md.)."

[9] Breckinridge Long, *The War Diaries of Breckinridge Long: Selections from the Years 1939-1944*, ed. Fred L. Israel (U. of Nebraska Press, Lincoln, 1966) 257. Cited by Thomas F. Troy, "Donovan's Original Marching Orders," *Studies in Intelligence XVII/2*.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Roosevelt only through the President's Republican Secretary of the Navy, Frank Knox, to keep as close to the President as possible.

Being a restless man, he did this kind of constructive apple-polishing in various ways, but he did not neglect to establish, where possible, a sense of personal ownership, a kind of paternalism in the mind of the President for the organization that Donovan had created and was struggling to expand against the rival bureaucracies of War, Navy, State, Treasury, FBI, and others. That is, he tried to make the President feel that his elite, strategic, special Office functioned to serve the President personally. And one of the ways he did this was to send frequent intelligence memoranda directly to Roosevelt under a personal letter. These reports did not much resemble a PDB vintage 1976, for Donovan had never become what his original title dubbed him, "Coordinator" of information. The State, Navy, War, and Treasury Departments and the FBI had kept their independence; and Donovan's Research and Analysis Branch (R&A) never became what we would now call a national-level evaluative or estimative shop. Donovan's memoranda served a purpose for him, however; they gave the President glimpses of personalities and events that provided a feeling of texture lacking from the well staffed and researched, but usually turgid reports and recommendations that came to him through his cabinet officers. By August 1941, Donovan had begun to send the President frequent, almost daily reports on a variety of subjects, some the result of research by R&A, some raw from the field, all calculated to interest and amuse as well as to instruct.[10]

Toward the end of the war, the memoranda contained a fair amount of name-dropping, which after all is a function of the specificity essential to sound reporting and also happened to suit the taste of his reader:

> Alexander Constantin von Neurath, German Consul at Lugano, has just returned from a meeting with Field Marshal Albert Kesselring, Commander of German Army Group "C" Italy; Rudolph Rahn, German Ambassador to the Mussolini regime in North Italy; and Obergruppenfueher and General der Waffen SS Karl Wolff, the Higher SS and Police leader in Italy and chief of Himmler's personal staff. . . .
>
> On Wednesday, September 27, I saw the King. He gave me a warm welcome and spent an hour with me chatting about the present situation. He told me . . . that Winston Churchill sent a sizzling telegram to Tito telling him in effect . . . .[11]

Occasionally, General Donovan's personality came through as a luridness of style that would not be permitted by today's editors:

> Sincerely regret that you cannot at this time see Wood's material as it stands without condensation and abridgement. In some 400 pages . . . a picture of imminent doom and final downfall is presented. Into a tormented General Headquarters and a half-dead Foreign Office stream the lamentations of a

[10] For an account of the beginning of this process several months before Pearl Harbor see Troy, *Donovan and the CIA*, Chapter V, "The First Six Months." Three batches of Donovan's memoranda to the President have been published under low classification in *Studies in Intelligence*: the "Sunrise Reports" on negotiations for the German surrender in Italy, (*VII/ 2*, Spring 1963, OFFICIAL USE ONLY); the "Boston Series," (*IX/1*, Winter 1965, CONFIDENTIAL); and a sampling of the "Peter to Tito Series" chronicling the secret diplomacy (*IX/2*, Spring 1965, CONFIDENTIAL).

[11] *Studies in Intelligence IX/2*, 53. Report of meetings held by Mr. Bernard Yarrow in London with King Peter and Prime Minister Subasic.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> score of diplomatic posts . . . The period of secret service under Canaris and diplomacy under the champagne salesman is drawing to an end . . . Ribbentrop has beat a retreat to Fuschl . . . that old fox, Horthy, playing the role of a 1944 Petain. . . In Sofia cagy Bulgarians are playing all kinds of tricks on Beckerle and going off to Turkey on pleasure trips . . . The final death-bed contortions of a putrefied Nazi diplomacy. . . .[12]

These examples show that during the war Donovan set the precedent of a Service Chief building, expanding, and protecting his organization by providing a flow of interesting *current* information to the Chief Executive, although current intelligence was not the main mission of his Research and Analysis Branch. Donovan had originally envisaged this mission as of longer range. Ludwell Lee Montague, a senior analyst in and later chief of R & A, records that the General, believing

> that the President should be better informed than the State, War and Navy Departments, acting separately, could possibly inform him, . . . assembled a group of eminent scholars, men knowledgeable of foreign affairs and practiced in the techniques of research and analysis in a way that regular Army, Navy, and Foreign Service officers could not be . . . (to) assemble all of the information in possession of the Government, not only in the State, War, and Navy Departments, but also in the Library of Congress and other places, and . . . prepare for the President a fully informed and thoughtful analysis of interest to him . . . The analyses actually produced by this R & A Branch were not estimates. They were academic studies, descriptive rather than estimative, more like an NIS than NIE.[13]

But Donovan knew the market value of current information, and so at the beginning a small group of R&A analysts, under Ray Cline, produced it. Donovan was by no means the only provider, official or unofficial, of this combination of instruction and entertainment that Franklin Roosevelt relished, but he had an advantage over his rivals: he had an organization oriented, unlike the War Department's Military Intelligence Division, the Office of Naval Intelligence, or State, toward the Presidency rather than toward a departmental customer; at the same time, it was large enough to outrange such unofficial competitors as Vincent Astor and John Franklin Carter.[14]

[12] *Studies in Intelligence IX/1*, 89. A report in April 1945, commenting on material from "George Wood," an alias for one of Allen Dulles' wartime "crown jewels" who was subsequently identified as Fritz Kolbe, an official in the German Foreign Ministry. This "George Wood" is not to be confused with the late Sam Edison Woods (1892-1952), who was U.S. Consul General in Zurich during Dulles' tenure in Bern and had been collecting intelligence from well-placed German sources since 1937, when he was Commercial Attaché, in Berlin. [See Barton Whaley, *Codeword BARBAROSSA*, (MIT Press, Cambridge, 1973) 37f *et passim*.] Woods, interned in Germany for five months after Pearl Harbor, was formally assigned to OSS on 20 January 1944.

[13] "The Origins of National Intelligence Estimating," *Studies in Intelligence XVI/2*.

[14] One competitor of whom Donovan was apparently unaware until after the war was Colonel Jean Valentin Grombach, whose espionage organization was truly clandestine in its administration and communications, though its collection mechanism was uncontrolled and its sources essentially unreliable. The history of the Grombach organization has not yet been compiled from the mass of data on hand. Nor have the various conspiratorial and clandestine activities been chronicled of one of Grombach's patrons, Adolph Augustus Berle, Jr. The selection of Berle's papers published by his widow (*Navigating The Rapids, 1916-1971*, ed. Beatrice Bishop Berle and Travis Beal Jacobs, Harcourt Brace Jovanovich, New York, 1973) sheds no light. For Berle's comment on Donovan see: 403, 412, 417.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

For an organization like OSS that had been created to serve a President who had been in office for 13 years and for a man like Donovan who had created it, the death of FDR was a change of environment. Harry S Truman was a different kind of boss, and he used his intelligence service in a different way. He wrote that

> On becoming President, I found that the needed intelligence information was not coordinated at any one place. Reports came across my desk on the same subject at different times from the various departments, and these reports often conflicted . . . . A President has to know what is going on all around the world in order to be ready to act when action is needed. The President must have all the facts that may affect the foreign policy or the military policy. . . . Under the new intelligence arrangement [OSS abolished, CIG established, first under R. Adm. Sidney W. Souers, then under Lt. Gen. Hoyt S. Vandenberg] I now began to receive a daily digest and a summary of the information obtained abroad . . . Here, at last, a coordinated method had been worked out, a practical way of keeping the President informed as to what was known and what was going on. The Director of the Central Intelligence Agency, as the Central Intelligence Group was renamed in 1947, became, usually, my first caller of the day . . . I brought Admiral Souers to the White House in the new capacity of Special Assistant to the President for Intelligence. Thus he, too, sat in with me every morning when the Director of Central Intelligence came with the daily digest. . . .[15]

Thus Donovan's spicy memoranda evolved into a Daily Digest, and as with a daily newspaper, the production of the digest required a continuous gathering of information from all available sources. The pressures familiar in a newspaper—deadlines, space to fill, continuity of stories—began here, and as we shall see, eventually were passed on to the Agency's clandestine collection element.

CIG/CIA and the Sales Department

The new CIA, activated from the Central Intelligence Group (CIG) in September 1947, was a little like the Baltimore Orioles when they were first admitted to the American League. All the old minor league enthusiasm was there, but the competition was suddenly very, very big, not in the intelligence business, but in the government business. To change the metaphor, the new agency's position was like that of a corporation suddenly given the opportunity to expand. Three decades later, sitting in the headquarters of what is now justly called a diversified conglomerate,[16] we have difficulty remembering what it was like to be so poor and so small. But in 1947, needing to expand its capital, the company had first to expand its market, and this meant modifying its product to compete with that of other corporations. The obvious product for which Truman had registered a demand when he called in February 1946 for a daily digest, was current events, and clearly a Sales Department was needed to market the product, especially since

> . . . the State Department had challenged CIG on the issue of access to the President. Truman had requested that CIG provide him with a daily

[15] *Memoirs, Volume II: Years of Trial and Hope*, (New York, 1956), 55-58. I have transposed sentence order, retaining the logic.

[16] Peter Szanton and Graham Allison, "Intelligence: Seizing the Opportunity," *Foreign Policy, No. 22*, (Spring 1976), 85*f*.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

intelligence summary from the Army, Navy and State Departments. However, Secretary of State Byrnes asserted his Department's prerogative in providing the President with foreign policy analyses. While CIG did its summary, the State Department continued to prepare its own daily digest. Truman received both.[17]

The Sales Department began modestly in CIG as the Central Reports Staff, and was originally manned by people contributed somewhat reluctantly from the payrolls of State and the military services. By July 1946, the daily digest had been replaced by the more extensive and formal Daily and Weekly Summaries, and this prestigious journalistic mechanism could be used as the base from which to expand into that area so heavily contested among the various services, national strategic intelligence.[18] Using the Central Reports Staff as a nucleus, DCI Vandenberg established the Office of Research and Evaluation in July 1946, and although it hardly produced what these days would be called finished national estimates, it had no significant competitors elsewhere in the government.

In an expanding XEROX or IBM, the Sales Department has considerable influence on the Departments of Planning, Engineering and Production. Since our concern is with the Clandestine Service, we may ask what influence the Central Reports Staff, which later evolved into the Office of Current Intelligence, had in these early days on the activities of the Office of Strategic Operations (OSO), which later evolved, along with a mutant called OPC, into the present Directorate of Operations.

The old Clandestine Service had nearly ceased to exist in the great rush to demobilize after World War II. When OSS was disbanded by Executive Order 9621, dated 20 September 1945 and effective 1 November, the two classically clandestine branches, Secret Intelligence (SI) and Counterespionage (X-2) kept skeleton *apparati* functioning. SI had espionage stations in the Near East and North Africa, in Germany and Austria, in China, and a handful of men in Southeast Asia, all grouped under a "Strategic Services Unit (SSU)" in the War Department. X-2 had offices in these stations and representations in several European capitals, where R & A, under State, provided real estate. Strength had been reduced from more than 9,000 to less than 3,000 and was still shrinking when the Secretary of War ordered SSU abolished by 30 June 1946. Abolition was avoided on 2 April by transferring SSU to the Central Intelligence Group (CIG), where the Research and Analysis Branch had already been rescued from the State Department.[19]

This was a period of transition with no assurance of eventual survival, in which some veterans of the old espionage (SI) and counterespionage (X-2) elements of OSS, with a few retreads from the disbanded paramilitary (SO) and propaganda (MO)

[17] Anne Karalekas, *History of the Central Intelligence Agency; Supplementary Detailed Staff Reports on Foreign and Military Intelligence, Book IV. Final Report of the Select Committee to Study Governmental Operations With Respect to Intelligence Activities*, United States Senate. 94th Congress, 2nd Session, Report No. 94-755, Government Printing office, 1976. This is Book IV of the Church Committee Report.

[18] Eugene C. Worman, Jr., *History of the Office of Current Intelligence*, (Five-volume unpublished typescript, 1972, sent to Archives on termination of OCI.) See also Elwood G. Dreyer, *The Office of Current Intelligence: A Study of its Functions and Organization*, School of Intelligence and World Affairs, Training Manual Number 5, CIA Office of Training, May 1970. SECRET.

[19] Arthur B. Darling, "Origins of Central Intelligence"; *Studies in Intelligence, VIII/3*; 88. This article, like others of Professor Darling in the *Studies*, is condensed from a portion of *The Central Intelligence Agency: An Instrument of Government, to 1950*. 12 Volumes (CIA Historical Staff, 1953).

branches, kept running operations and kept maintaining files. X-2 had 400,000 dossiers, mostly on Nazi and Fascist personalities, and these were invaluable for mounting postwar operations.

The SI and X-2 veterans also redirected the espionage and counterespionage effort against the new enemy, welcoming as a charter the recommendation of an interdepartmental committee chaired by Colonel Fortier in February and March 1946 that SSU, subordinated to CIG, "concentrate on the current activities of the Soviet Union and its Satellites." [20] And to make their emerging new Service secure against the new enemy, they performed a thorough internal housecleaning.

At this time, the Service was not sure that it was, wanted to be, or should be part of the corporation that was forming. Professor Darling records that

> Colonel [Donald H.] Galloway [Assistant Director for Strategic Operations, i.e., Chief of Clandestine Operations of the time] admonished his subordinates in OSO that they were to reduce to the minimum their associations with people from State, War, and the Navy and handle this minimum through a Control Officer. They were to carry on nothing but official business with other offices of CIG. Vandenberg, Wright, and Galloway wanted OSO to be as free as possible from connections which might expose its affairs. They believed that its operations should be kept apart from the observation and influence of the departmental chiefs of intelligence in the ARB; these were different from other "services of common concern" to the departments. OSO had to keep in touch with agencies which used its product, and it was authorized on October 25 to receive requests for information or action from those agencies through its Control Officer.[21]

Strategic Espionage

At some point* the office of *Strategic* Operations (OSO) came to be called the Office of *Special* Operations, possibly because of discomfort at the association with the Office of Strategic Services, possibly because "Special Operations" is a bland designator, a cover term, one that could be applied to some of the political action operations (such as the Italian elections) that OSO, before the advent of OPC, did conduct on a modest scale. Whatever the reason, OSO still believed that its activities should be considered "strategic." Implicit in the concept of strategy is a notion of planning, foresight, preparation. In warfare, it means largely the positioning of reserves, and so it is in espionage. Implicit in the concept of strategic espionage is the notion of strategic coverage, the positioning of agents in advance of their commitment to stealing secret information.

Writing in 1947, Sherman Kent, himself a veteran of Research and Analysis rather than of the SI or X-2 branches, expressed the concept of strategic espionage coverage in terms of what he called the "surveillance force":

> The surveillance force in a strategic intelligence operation is supposed, in the first instance, to watch actual, fancied, or potential ill-wishers or

[20] *Ibid.*, 69*f.* [Lawrence R. Houston recalls that at least the Cairo OSS had been "redirected" against Soviet activities and intentions in the Balkans as early as the spring of 1945. Ed.]

[21] *Ibid.*, 87*f.*

*[Houston believes the name was changed when SI and X-2 were merged—possibly in the spring of 1946. Ed.]

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> enemies of the United States and report on their activities. In the second instance, the surveillance force is supposed to procure a less dramatic sort of information which is calculated to forward the success of our own policies. In certain aspects of both lines of work the surveillance force must work clandestinely. Or to put it another way: a surveillance force which was not equipped to work clandestinely could not deliver on a small but extremely important part of its task. *Generally speaking, it could not deliver information which another country regarded as a secret of state.* Many such secrets can be apprehended only by fancy methods which are themselves secrets of state. Thus a certain important fraction of the knowledge which intelligence must produce is collected through highly developed secret techniques.[22]

In this very seminal book, Dr. Kent discussed all the difficulties of communication between a strategic collection apparatus and the analysts and policy makers to whom it exists to provide information. He gave special attention to what he calls "the segregation of the clandestine force" which is "dictated by the need for secrecy." We shall discuss this problem later in this paper, and we shall later give attention to requirements and feedback, a problem that is particularly acute in the collection of current information.

It was this problem of communication between the clandestine apparatus and the analysts that caused Colonel Galloway, the clandestine chief at the time, to inquire in August 1946 about getting evaluations of OSO reports from the Office of Reports and Evaluation (ORE), which was then less than a month old. He was told that "ORE had neither the personnel nor the working files . . . (while) the Reports Staff was . . . equipped only for current intelligence and attempting to synthesize departmental estimates." An evaluation mechanism was finally put into operation about ten months later,[23] but OSO viewed it as a support facility rather than a guidance channel, i.e., a device to assist in validating agents rather than planning future production. And the greatest reticence was maintained toward ORE regarding the identity and *modus operandi* of agents.

No prestige was attached within OSO to the importance of the ultimate customer. Doubtless a case officer would be pleased to hear that the gist of one of his reports had been read by Harry Truman at breakfast, but normally he would not expect to be told of this; what the case officer wanted to know was whether his agent was lying to him, was not performing diligently, was being deceived by a sub-source. The last thing a case officer, or his desk, would think of would be to consult a customer about the value of an operation.

The Central Reports Staff and other components of ORE had not yet even come to be regarded as The Other Side of the House, for the average OSO officer did not feel that any one House with one roof existed, except OSO itself. Recipients of reports

[22] *Strategic Intelligence for American World Policy,* (Princeton, 1966), 166; (emphasis added). This is the second edition; 1st ed. was published 1949. For Dr. Kent's thinking on production of strategic intelligence, after a further 25 years of experience see *The Law and Custom of the National Intelligence Estimate*, CIA Historical Staff, Directorate of Administration, MS 12, (February 1976; manuscript finished April 1975) (SECRET).

[23] Darling, "With Vandenberg as DCI," *Studies in Intelligence XII/1*, 75.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

existed, to be sure, outside that door guarded by the Control Officer, and OSO sincerely wanted to know whether the reports it sent out were judged by the recipients to be accurate. *Accuracy* was the criterion, not relevance or importance, for OSO saw its task as the management and control of agents. OSO was obsessed with the *reliability* of agents, and saw accuracy as a factor of reliability.

Now the grading system of the time (which had been taken over rather mechanically, I believe, from military procedures for evaluating reconnaissance and interrogation reports),[24] was designed to give the evaluator the minimum amount of information that would identify or describe a source and to require the user to evaluate reports on the basis of their relative plausibility in the context of all reports from all other sources on the subject. Evaluation of agents (what is now called "authentication") was strictly the job of the agent handler and his helpers, including sometimes a specialized "Reports Officer." [25]

Names of the Games in OSO

We see from the foregoing that the barrier between OSO with its espionage and counterespionage apparatus constructed on the principle of strategic coverage, and the analysts of ORE, was a real one. It was bothersome to both sides, though for different reasons. We may possibly understand the barrier better if we recollect the OSO working definitions of the period. What were (to OSO) the meanings of the words given to the activities with which OSO was charged—espionage and counterespionage? And what were the relationships of these activities to such related concepts as counterintelligence and security? These definitions are crucial not only for what the words mean, but for what they do not mean:

— *Espionage* is the theft of information in contravention of another nation's laws by a person known as an "agent." This act of theft may be direct, as in the secret copying of a classified document, or indirect, as in the hiding of an eavesdropping device, or merely oral, but it is done by an agent and it breaks either a foreign law or the internal regulation of an alien organization. Espionage is *not* the confidential purchase of information where mere embarrassment, rather than illegality, is risked. It is *not* the flattery, bribery, or coercion of a person to influence his actions within *legal* limits. It is not "a scuttling, violence-prone business . . . incompatible with democracy," [26] but rather a silent, surreptitious, violence-shunning business serving the nation.

— *Counterespionage* is that branch of espionage of which the target is an alien organization which uses conspiratorial methods, whether as part of a foreign government or of some non-national or international group,[27] and whether against the United States or against another entity. Counterespionage is,

[24] For a lucid and characteristic expression of the military intelligence officer's view of espionage, see Major General Sir Kenneth Strong, *Men of Intelligence*, (Cassell, London, 1970). For the American view, as held before COI or OSS were born, see Shipley Thomas, *S-2 in Action* (The Military Service Publishing Company, Harrisburg, Pa. 1940).

[25] Bruce L. Pechan, "The Collector's Role in Evaluation," *Studies in Intelligence* V/3, 37-47.

[26] Rod Macleish, Editorial Page, *Washington Post*, 2 February 1976.

[27] E.g., the Curiel Apparatus, the Tupamaros, the Palestine Liberation Organization, the Black Septembrists, the Irish Republican Army, and in former years the Irgun Zwai Leumi and the NTS.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

therefore, *also* the theft of information by an agent, who will in this circumstance usually be called a double agent or a penetration, depending on his status in the enemy apparatus.[28]

These are the two branches of espionage, the two disciplines of clandestinity. Note their relationship to other activities associated with the spy business:

— *Counterintelligence* is a name given to a congeries of techniques, one of which is counterespionage. Its other techniques are mainly various types of investigation and detection. They all have as their objective the frustration of the *active* efforts of alien conspiratorial organizations to acquire secret or sensitive information belonging to our government.[29]

— Note that counterintelligence is *not* security.

— Note that counterespionage is *not* security.

— *Security* is a dimension of clandestinity in espionage, counterespionage, counterintelligence, adultery, and poker. It is to these activities what style is to a writer, an athlete, or a musician, but it is not itself a work, a game, or a performance. Its purpose is prophylactic: it excludes toxic and infectious organisms and conserves the vital fluids.

— *Physical security* keeps out burglars and helps prevent accidental or absent-minded loss of information.

— *Operational security* is a function of all clandestine action and a function of the command channel within that action. Responsibility for operational security can be delegated to a specialized element only at the risk of the collapse of all the disciplines of clandestinity.

Today these definitions, particularly the distinction between counterintelligence and security, are blurred. In the decades that have passed since the absorption of OSO into the Plans Directorate (which was an event simultaneous with the establishment of the Office of Current Intelligence) a process of bureaucratic dialectic worked itself out with ironical results for all the conflicting factions. Among the operations officers of this period of history were many whose personal inclinations, tastes, ambitions, and wartime conditioning led them to prefer those courses of action leading to the extension of the practice of espionage to include as many forms of information

[28] The overt literature of double agent operations in World War II is richer than that referring to counterespionage and deception during later periods of history. See the after-action report on British double agent operations (assisted by OSS' X-2), declassified and published as John Cecil Masterman's *The Double-Cross System in the War of 1939 to 1945* (New Haven and London, 1972). An exhaustive review, classified SECRET, appears in *Studies in Intelligence, XVIII/1*, by "A. V. Knobelspiesse," the pseudonym of one of our experts in the discipline. The reader with a decrypting bent may discover the origin of the name of OSS' counterespionage branch in the title of Masterman's book; our cousins normally referred to double agents as "XX agents." The board which cleared information for provocative passage ("build-up" or "smoke") was called the "Twenty Committee." So close was OSS to the British at the beginning that the CE service was named X-2 from one of the cousins' bits of inhouse whimsy.

[29] In the Office of Training's program for the Operations Directorate, many subjects are taught with varying emphasis at various times in response to the changing, and generally diminishing, demand of the desks and branches. Some of these subjects which are thought of as belonging to the CI disciplines are Basic Investigative Techniques, Surveillance Techniques (physical and technical). CI Detection, Collation and Analysis ("Notebooking"), Operational Use of the Polygraph, Penetration of Liaison, Double Agentry and Provocation, and Deception. Subjects often given the CI label, but more properly elements of operational security, are Control of Fabrication, Security Assessment, Damage Reporting, and Operational Testing of Agents.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

gathering as possible. Many of these officers came from the disciplines of combat intelligence—prisoner interrogation, censorship, military liaison, field order of battle; many had backgrounds in analysis of voluminous information; many, like General Donovan before them, saw production of reports in quantity as a way of gaining recognition within the organization, and for the organization within the government. Together, they comprised what might be called the production factor.

Mingled with this faction were many operations officers whose personalities and backgrounds were in a different tradition of intelligence. Rather alien to the American drive for quick success (the touchdown pass compared with the intricate checkmating combination) and big numbers, whether of things, people, or reports, this tradition was one of secrecy in espionage and of long-range coverage of strategic or potentially strategic targets.

One should not suppose that there was more or less ambition in the very able men and women who comprised the two factions. Ambition was in abundance, but it was of two very different kinds. And so a synthesis occurred: the faction that wished, from whatever ambitions for self and service, to extend the practice of espionage to all forms of information gathering, in order to have *production*, colluded with its basic rival, the faction that wished to keep operations centrally controlled and as clandestine as possible and to contrive strategic *coverage*. The result of the compromise gave the secrecy faction a staff authority (embodied some time after the Korean War ended in the Counterintelligence Staff) to police the clandestine professionalism of the entire Service, including its political action and propaganda efforts. The production faction thus got operational security out of the realm of command responsibility and delegated it to the Staff, to which inspection chores could be assigned and bucks passed. The verbal formula which consecrated this event was to say that counterintelligence consisted of:

> Two matching halves, security and counterespionage. Security consists basically of establishing passive or static defenses against all hostile and concealed acts regardless of who carries them out. Counterespionage requires the identification of a specific adversary, a knowledge of the specific operations that he is conducting, and a countering of those operations through concentrating and manipulating them so that their thrust is turned back against the aggressor.[30]

The eventual principal beneficiary of this process was current production, and the eventual loser was strategic coverage, for the intrinsically strategic and intrinsically clandestine practice of aggressive counterespionage now is associated, and therefore identified, with those routine but somewhat tiresome, somewhat inefficient practices that ensure security of operations. The two became associated, identified, in the minds of case officers, branch chiefs, certain division chiefs, and certain chiefs of the Service (including in each category those officers whose interest

[30] The organizational arrangements that effected these changes were more complex than is here indicated. Readers are invited to recall or to research in our historical material the reorganization of the Plans Directorate's original Staffs A and C, under James J. Angleton and William K. Harvey, respectively, into the Counter Intelligence and Foreign Intelligence Staff. The quotation is from A. C. Wasemiller, "The Anatomy of Counterintelligence," *Studies in Intelligence, XIII/1*, 10. See also Austin B. Matshulak. "Coordination and Cooperation in Counterintelligence," *Studies, XIII/2;* 25-36. The Church Committee Report, *Foreign and Military Intelligence; Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities*, United States Senate, (Government Printing Office, 1976), Book I, includes a chapter on Counterintelligence which takes its definition and much of its other terminology from Wasemiller.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

was in covert action rather than intelligence) because they were bureaucratically associated and identified in a single staff, the Counterintelligence (CI) Staff.

The result was that, as choices of management developed between sound tradecraft and expediency, expediency prevailed. Lapses of tradecraft could be glossed over ("That's not my job; I'm not a CI man"); policing of compromises could be delegated (REQUEST TDY OF EXPERIENCED CI OFFICER TO CONDUCT DAMAGE ASSESSMENT); the conduct of complex operations against hostile (or friendly) intelligence service could be avoided ("Too time-consuming; produces few dissems"); the collation of information on hostile and friendly services could be reduced; and the maintenance of unilateral investigative facilities, which also produce no dissems, could be cut back in the budget.

But, at the period of which we speak, this evolution had not yet occurred. True counterespionage was still a viable concept. OSO was not bureaucratically or functionally close enough to ORE (renamed the Office of Research and Reports in 1950 (ORR)) to recognize a conflict between the real demands of espionage and the reportorial needs of current intelligence. Such criticism of the production of descriptive and narrative commentary on current events as was heard came mainly from those engaged in predictive and estimative analysis, and from senior critics who shared the view that current intelligence was the proper purview of the Department of State. Among these was William H. Jackson, who had participated with Allen Dulles in the so-called Dulles-Jackson-Correa Survey a year and a half earlier.

A version of OCI's difficulties within ORR, which reflects the point of view of ORR and OCI deponents, is given by Miss Anne Karalekas, a historian employed by the Senate's Select Committee, chaired by Frank Church, which investigated the Agency in some detailed:

> Completely contrary to its intended functions, ORE had developed into a current intelligence producer. The Dulles-Jackson-Correa Survey had sharply criticized CIA's duplication of current intelligence produced by other Departments, principally State. *After his appointment as Deputy Director of Central Intelligence, Jackson intended that CIA would completely abandon its current political intelligence function.* State's Office of Intelligence Research would have its choice of personnel not taken into ONE and ORR, and any former ORE staff members not chosen would leave.
>
> In spite of Jackson's intention, all former ORE personnel stayed on. Those who did not join State, ONE, or ORR were first reassigned the task of publication of the Daily. Subsequently, they joined with the small COMINT (communications intelligence) unit which had been established in 1948 to handle raw COMINT data from the Army. The group was renamed the Office of Current Intelligence (OCI) on January 12, 1951. Drawing on COMINT and State Department information, OCI began producing the Current Intelligence Bulletin which replaced the Current Intelligence Bulletin which replaced the Daily. As of January 1951, this was to be its only function—collating data for the daily CIA publication.
>
> Internal demands soon developed for the Agency to engage in current political research. Immediately following the disbandment of CIA's current political intelligence functions, the Agency's clandestine components insisted on CIA-originated research support. They feared that the security of

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

their operations would be jeopardized by having to rely on the State Department. As a result of their requests, OCI developed into an independent political research organization. *Although OCI began by providing research support only to the Agency's clandestine components, it gradually extended its intelligence function to service the requests of other Departments.* Thus the personnel which Jackson never intended to rehire and the organization which was not to exist had survived and reacquired its previous function.[31]

This would appear to credit the Clandestine Service with having interceded to protect an endangered species, the Current Intelligence Analyst, from extinction. Actually, if witting intervention can be said to have occurred, it was for selfish and defensive reasons: OSO wanted operational intelligence to use in mounting and maintaining strategic agent operations, and it wanted help in validating its agents, nothing more.

Looking back from the bicentennial anniversary of the death of Nathan Hale,[32] we can see that in our own time the relationship between the practitioners of espionage and the analysts of current intelligence developed in four stages:

— the stage of segregation, wherein the Service mounted and maintained operations to cover potential and actual targets and engaged in collection of information for strategic intelligence by penetrating those targets with spies, while OCI struggled within the departmental bureaucracy to establish its reputation as the best producer of current commentary;

— the stage of alliance, wherein the Service and the current information analysts sought to exploit each other for nonmutual goals; the analysts seeking to increase volume of reportage from the Service, among other sources, the Service seeking support from OCI in the form of operational intelligence and evaluation of agent reliability;

— the stage of symbiosis, in which the Service was coopted as a main originator of parts, components and fuel for the current intelligence sales product and in which day-to-day management of the Service was dominated by current information requirements.

— a final stage of syngenesis, which, to quote Webster, is "reproduction in which two parents take part . . . according to a . . . theory that the germ of the offspring is derived from both parents, not from either alone," though parents may be spaniel and terrier, elephant and ape.

Here we are considering the earlier part of the second stage, when the elephant OCI and gorilla OSO were groping in a darkened cage for some contact with each other. Years were to go by as the weight of the elephant gradually bore onto the hairy shoulders of the Clandestine Service, and as late as February 1952 "the impression in OSO (presumably of OSO representatives on OCI's Intelligence Staff) was that not many field personnel . . . knew of OCI's mission to brief the President and high policy makers." [33]

---

[31] Karalekas, *op.cit.*, 22. (Emphasis added.)

[32] "An agent dispatched on what turned out to be a useless errand, caught because of insufficient preparation and only elementary attention to cover, immediately and unceremoniously executed, and buried in a forgotten grave. . . ." Streeter Bass, "Nathan Hale's Mission" *Studies in Intelligence, XVII/4.* Mr. Bass's judgment of this early casualty in the Service is worth our thought: "Hale is what he is in the American pantheon not because of what he did, but because of why he did it."

[33] Worman, *op. cit.*, 151.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

The creation of the Intelligence Staff of the Office of Current Intelligence in 1951 was a major step toward the assignment of a tasking function to OCI, the process of tailoring the Service's collection to fit OCI's sales requirements. It had representation from both OSO and OPC and embodied a change from Galloway's concept of a Control Officer who had acted as a one-way mirror between OSO and the outside and thus had given the Service freedom to proceed with installing operations for strategic coverage without the hindrance or distraction of daily pressures to provide information of transitory relevance. Another change during the Korean War was the establishment at some overseas stations of the first "Strategic Division" of the Intelligence Directorate, which for the first time brought OCI analysts under the same roof as the OSO operators and permitted, though it did not exactly encourage, both groups to study one another's language.[34]

Elephants and Apes

These days, when ecumenism is the fashion and soft target collection a respectable activity, it may be a little hard to recall how thick was the barrier of language and thought between the OCI chaps in Q-Building and the OSO people along the Reflecting Pool. Our memories may be assisted by considering the basic difference between the types of people who sat in the two places, a difference that still exists for observation. The good analyst in OCI and the good case officer in a DDO Field Station are both pretty bright, pretty honest, pretty diligent, but they have different habits. Give an OCI analyst a paper with sentences of information on it and he will immediately do three things:

— check it for accuracy;

— evaluate its place in the context of his own knowledge of its subject matter;

— try to exploit it for production of a finished report or study.[35]

Now if you give the same paper to a field case officer, he will also do three things, but they are different things. He will:

— examine it to identify its source;

— attempt to learn or guess the author's motive for promulgating it;

— grope for a way of using it to influence somebody, usually a prospective agent.

In other words, the analyst's habit is to react *ad causam*, the case officer's *ad hominem*. The analyst thinks about subject matter and its relevance to events, the operator about people and their motives.

They are two different breeds, elephants and gorillas. One might be led by this metaphor to think that by bringing the two breeds too close together, by making them

[34] *Ibid.*, Chapter 1.

[35] What an analyst should be, and sometimes is, was described by Captain Richard Bates, USN, Commandant of the Defense Intelligence School, at a conference in February 1976 on training of Science and Technology analysts. According to a participant, R. C. Schreckengost of CIA's Office of Training, ". . . Captain Bates described the good analyst as one who: works well under uncertainty; works well with fragmentary information; is able to perceive deception; does not expect foreign developments to parallel those of the United States in terms of design electives; recalls when the point of diminishing returns has been reached in analysis; knows how to convey accurately the amount of uncertainty in his analysis; knows how to communicate effectively with others both in and out of the intelligence community; is aware of the sources, forms, flaws, and other factors relating to data processing; and has an ability to work well in situations in which the necessary information to solve a problem may be obscured by a great deal of noise."

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

interdependent, by possibly crossbreeding them, one might corrupt both. The analyst might come to rely on a specialized source for information to collate with that from a mélange of sources and come eventually either to lose objectivity toward his other sources and to be lazy in exploiting them, or lose patience with the special source for its biases, its fragmentary nature, its slowness to respond, and dismiss the special source from his calculations. Meanwhile, the case officer, finding a ready market for information on current matters that is easy and safe to procure, might tend to put his time on agents that are not secret, i.e., not special, and to cater to the analyst's hunger for a volume of accurate, but not necessarily secret, information.

This, however, anticipates a later argument. In any event, because of the differences of habit and thought between analysts and operators, the process of acculturation that went on in the Intelligence Staff of OCI, Washington, and between DDI's "Strategic Divisions" overseas and the stations that sheltered them was slow, but the fact that, in Korea, there was another war on raised the temperature of the acculturation process and speeded the chemical reactions within it. And there were other wartime effects that were adverse to all kinds of coordination. More money, new components, more people, and the atmosphere excitingly reminiscent of World War II all encouraged uncoordinated initiative in Indians, chiefs, and squaws. The intelligence production directorate was distracted by interdepartmental quarrels and frictions with and among State, the Pentagon, and NSA, especially over access to and exploitation of sensitive technical intelligence.[36]

OPC was operating its own independent corporation with a budget expanding toward $200 million and a staff complement of about 2,700, its own system of cryptic reference, its own communications, and its own charter, which forbade it to coordinate more than absolutely necessary with any other component.[37] The DCI, General Walter Bedell Smith, reported unhappily to the National Security Council on 23 April 1952 that

> The presently projected scope of these [psywar and paramilitary] activities has, during the past three years, produced a threefold increase in the clandestine operations of this Agency and will require next year a budget three times larger than that required for our intelligence activities. . . .[38]

OSO, the espionage and counterespionage service, was not expanding appreciably, but its operating climate was affected by several current events like the Berlin Blockade, the Haganah-Irgun insurgency, the bloodbath in what had been British India, and the Korean War.

In this atmosphere, the Sales Department's voracity for the raw materials of production grew. OCI, by its own lights and in accordance with what it saw as its mission, was always searching for new information and for ways of speeding its circulation. In the words of OCI's historian, Mr. Eugene C. Worman, Jr., this

> . . . search for new information and for ways of speeding its circulation involved OCI in intensive dealings with other offices in CIA during 1952. One of the most active of these relationships was with the Office of Special Operations (OSO) of the Clandestine Services, which not only was a source

[36] Worman, *op. cit.* A version of ORE/ORR's troubles is given by Karalekas, *op. cit.*, 20*ff.*

[37] Gerald E. Miller, *History of the Office of Policy Coordination*, DDO Registry, CS HP 228. Intro and summary chapters reprinted w/o footnotes in *Studies, in Intelligence* XVII/2-S, CIA/IUO.

[38] Ludwell Lee Montague, "The Psychological Strategy Board," *Studies in Intelligence XVII/2-S, 19.* (CIA/IUO.)

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> of information but a collector which *could service requirements generated by OCI*. . . .
>
> By February 1952, OCI had collected enough statistics on OSO reporting to undertake an effort to make that reporting more useful. Noting that OCI had destroyed over half of OSO's pouched reports because of their late arrival, Paul Eckel, Chief, Publications Board, suggested that OSO establish some sort of screening panel to review incoming reports and to send pertinent information to OCI by special preliminary dissemination. He also suggested that OSO divisions in Washington as well as station chiefs abroad be briefed regarding OCI's requirements. He urged that the latter be instructed to send important information to Washington by cable.[39]

Now what did it mean to a station chief to be told to cable important information? Most station chiefs were accustomed to send a number of cables, and in those days of less sophisticated communications most station chiefs kept cables in the category of what they already considered important information, meaning operational matters requiring rapid servicing by the desk. Most important *intelligence*—the stuff that OSO disseminated—took some time to acquire, was often bulky, and went home by pouch, preceded by a cable announcing its acquisition and explaining the circumstances.

Let us take an example. As this was being written, several of us recalled in another context, but still with a sense of awe, the time just before the OPC-OSO merger when our Service acquired a comprehensive plan, issued under very high classification by a major Soviet command, for the deployment and dispersion of ground forces in the event of nuclear combat in Europe. Many cables were exchanged discussing the manner in which the agent (who years later was executed in line of duty, i.e., for treason) had acquired, copied, and delivered the document. This document was *pouched* to Headquarters for customers other than OCI. It was considered to be strategic espionage, of a kind no station expected to acquire every day and which could be valued in savings to the U.S. Government at roughly the cost of a weapons system.

It was this kind of intelligence that stations thought they were in business to acquire by having properly established a strategic espionage apparatus. The principal case officer handling the agent worked at the operation full-time, or quite a lot more than full-time, and he kept himself extremely well informed on current intelligence on the Soviet Union, on the country, and on the city in which he was working. To require him to report on these matters would have been to impair his efficiency and that of the station.

For the field station, the order to cable current information amounted to a new definition of important information. That information and intelligence which was previously considered important by the stations was of little interest to this strange new consumer with his deadlines and publication schedules—he wanted information that had hitherto been regarded as perishable and trivial. But what he wanted, apparently, could be acquired by a moderate (or at least initially moderate) amount of moonlighting at the station.

Some stations found that the one or two local journalists whom they had been using to provide operational intelligence for planning purposes, or to act as spotters,

[39] Worman, *op. cit.* (Emphasis added.)

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

could be used as sources for the cables of OCI. Elsewhere, Reports Officers were put to work, if they were already on hand, or requisitioned from Headquarters to be put to work, picking station brains for items of reportable current information, or conducting semi-clandestine contact with agents who could be converted to providing their own instant political analysis. Some station chiefs began devoting their own time to composing periodic commentaries in competition with those of the Embassy Political Sections and Ambassadors. The practice of relinquishing soft political information to State began to fall into disuse.

And where was the harm, an espionage officer might well ask himself, so long as the OSO corporation was not forced into merger with OCI as it had just been forced to merge with OPC?

The Merger

The merger of which we speak so often was a critical event in the history of the Service with very important results. The Church Committee's version is partly correct:

> The merger did not result in the dominance of one group over another; it resulted in the maximum development of clandestine operations [i.e., covert action] over clandestine collection [i.e., espionage] For people in the field, rewards came more quickly through visible operational accomplishments than through the silent, long-term development of agents required for clandestine collection. In the words of one former high-ranking DDP official, "Collection is the hardest thing of all; it's much easier to plant an article in local newspapers." [40]

After the merger, most OSO officers were looking for allies to help fend off the human wave of OPC. Any alliance that might help keep a few slots commissioned and a few dollars authorized for spy-running could not be all bad. OCI looked like a promising ally.

There was also an element of vanity. Most station chiefs felt in their hearts that they really knew quite a lot about local affairs in their area, that they could hold their own in any conversation with a political section foreign service officer or an OCI analyst, on the real power structure of a cabinet or the real significance of an irredentist movement, or the real workings of a local Communist party. Recognition of this expertise was pleasing, even to a man who knew clearly that his primary job was to recruit and exploit agents to steal information in the Soviet military command, the Hungarian Embassy, the Office of the New China News Agency, etc.

It is not astonishing that over the first two years of the DDP, a number of station chiefs adjusted comfortably to the role of resident expert, nor that in the next two decades this role has evolved into that of pundit, so that a committee of top CIA managers, writing 20 years later in a time of great trouble, can note without normative intonation that

> . . . from time to time CS Station Chiefs—often at the request or even direction of policy-level consumers—send back interpretive assessments of

[40] Senate Select Committee to Study Governmental Operations with Respect to Intelligence. *Activities, Foreign and Military Intelligence: Final Report of the Select Committee, etc.*, U.S. Senate (GPO, Washington, 1976) Book I, 108. (Hereafter Church Committee, Book I.)

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

events in their country. These are circulated in Washington as the views of the senior U.S. intelligence officer on the scene, no more and no less.[41]

These on-the-scene appraisals, now rubricked [ ] are the logical and unforeseen result of that instruction in 1952 that station chiefs "send important information to Washington by cable." The element of vanity, combined with the theory that a senior Clandestine Service officer ought to be equally adept at "one or several of the broad fields of intelligence: espionage, counterespionage, overt procurement, (and) analysis" [42] resulted in some awkwardness. The cabled current information and current analysis often bypasses OCI and goes instantly to the consumer at State or the White House, and when, as has occurred, the Station Chief's analysis of a situation is at variance with that of OCI, the bonds of affection between OCI and the Service become strained. A research group on intelligence support for policy recently found an instance where a

25X1

> . . . State Department official remarked that CIA *analysis* was first rate. The analysis he referred to turned out to be a situation report from a Chief of Station.[43]

Given the strength of personality of most Chiefs of Station, their influence on the young, their authority over reporting and support elements in the field, their prestige among other officials of a Mission, the devotion of a COS's attention to current political commentary of the journalistic kind can influence the Service only in the direction of journalism.

Similar dynamics at Headquarters helped develop the journalistic pattern:

> Back home, a system was eventually developed whereby OCI did receive preliminary disseminations of Clandestine Service reports—and sometimes even raw cables in urgent cases—which enabled OCI to publish its evaluations even before other offices received their copies of the original reports. After some time, preliminary TDCS reports [44] became standard fare, and the delayed reports virtually disappeared from OCI's daily mail. . . . In November 1952, in an effort to obtain the maximum benefit from Clandestine Services reporting, representatives of the Office of the DDI and Frederick Voight of OCI met with representatives of the Clandestine Services to review material received by the latter but not disseminated in intelligence reports. Though agreeing in most cases with the decisions that had been made, the representatives of the Intelligence Directorate suggested that OCI personnel scan the information daily in search of items useful not only to OCI but also to OSI and ORR. The Clandestine Sevices agreed, and this activity began on 14 November.[45]

[41] "The Directorate of Operations," *Taylor Report, Annex F*, named for a committee chaired by Deputy Comptroller J. H. Taylor. Annex F was prepared by a sub-committee chaired by W. W. Wells, then chief of the European Division of the Operations Directorate. (October 1975).

[42] Gordon M. Stewart, "What is a Generalist?", *Studies in Intelligence*, *II/3*, 3. Stewart was Director of Personnel when he wrote this piece. Himself a generalist, he was twice chief of [ ] Station, Inspector General, and member of the Board of National Estimates.

25X1

[43] Center for the Study of Intelligence, *CIA Intelligence Support for Foreign and National Security Policy Making*, 65.

[44] TDCS: Telegraphic Dissemination of the Clandestine Services. Now called TDFIR, Telegraphically disseminated Foreign Intelligence Report.

[45] Worman, *op. cit.*, 151.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

This is a point at which to record disagreement with the historical judgement of the Church Committee, which, in my opinion, is influenced by testimony from officers of the Intelligence Directorate who do not know their facts. The Committee has it that

> . . . within the Agency the DDP was a Directorate apart. As the number of covert action projects increased, elaborate requirements for secrecy developed around operational activities. The DDP's self-imposed security requirements left it exempt from many of the Agency's procedures of accountability. Internally, *the DDP became a highly compartmented structure,* where information was limited to small groups of individuals based primarily on a "need to know" principle.[46]

It may appear to some of our younger analysts unfamiliar with history that the DDP *became* a highly compartmented structure. Actually the Service, in its OSO manifestation, had once been compartmented from the rest of the Agency, but in the years here discussed (1952-1962), it steadily became less so. From the point of view of the espionage specialist, the Committee's next paragraph is about 173 degrees off course:

> The norms and position of the Clandestine Service had important repercussions on the execution of the CIA's intelligence mission in the 1953 to 1962 period. Theoretically, the data collected by the DDP field officers should have served as a major source for DDI analysis. However, strict compartmentation prevented open contact between DDP personnel and DDI analysts. Despite efforts in the Directorates, the lack of real interchange and interdependence persisted.[47]

It would be more accurate to say that "efforts in the 1960s to break down the barriers between the Directorates" resulted in a degree of "interchange and interdependence" that had an effect on the discipline of espionage similar to the effect of whiskey on the American Indian.

Ironically the trade for OCI's getting current reporting from what had so recently been OSO was the provision of OCI's product to what had been OPC. Mr. Worman records that

> . . . a two-way flow developed . . . on 17 November 1952 . . . DDP transmitted to OCI a list of priority interests of the Political and Psychological Warfare Staff with a request that OCI attempt to publish as much information as possible in its Current Intelligence Digest on those subjects or otherwise notify the Staff of its existence.[48]

Mr. Worman cites this as an example of mutual benefit between DDP and DDI, but he fails to distinguish between the still very distinct OSO and OPC elements of the new DDP. OSO veterans of the time still saw the benefit to their Service as extremely limited. Information in the *Current Intelligence Digest* was, of course, immensely useful to the Paramilitary and Psychological Warfare Staff for programming radio broadcasts (especially Radio Free Europe), preparing material for release in the printed media, and for other non-clandestine activities. For espionage operations it

[46] *Book I,* 112.

[47] *Ibid.*

[48] Worman, *op. cit.,* 153. So strong was the animosity between the two factions that OSO officers normally wrote among themselves of Political and Psychological Warfare (PP) as "pee-pee."

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

was only marginally useful as background operational intelligence, a supplement to the vernacular press, reports from surveillance, the coffeehouse grapevine, etc. The espionage officer continued to view the contact with OCI as a means of getting evaluation of his agents' reports. Gradually, however, the OCI point of view, that the contact was for purposes of levying requirements on the Service, began to prevail.

Speed + Volume = Production

In any event, the procedure by which OCI screened reports from the Clandestine Service evolved so strongly that nobody could doubt the biological success of the CIA Sales Department in the ecology of Washington. Seven years after OCI's first formal liaison with the Service, an institution was born which put CIA on top of a heap whose tactical crest had been an objective for years of the Pentagon, the Department of State, the Joint of Staff, and the National Security Council itself. This was the Intelligence Watch Officers Group, often incorrectly called the Watch Office, or better, the IWOG. There were communications centers and war rooms of some kind in all of the organizations just named, and it was OCI's proper dream, under authority granted to the DDI, to form, manage, control, and staff an Intelligence Watch Officers Group. The difficulties, as Mr. Worman records, lay mainly in the nature of competition, both inside the Intelligence Directorate and outside, where State, NSA, the Military, and the DDI all competed for jurisdiction over exploitation of sensitive technical intelligence. But one difficulty also lay in the reporting from the Clandestine Service, especially the cabled reports that OCI was now receiving.

To see how the formation of the Watch Officers Group altered the climate of the Operations Directorate, we must step back a bit and look at the traditional methods of disseminating incoming information from the field. Our average station chief, accustomed to continuous correspondence with his home desk on the details of his operations, naturally mixed operational information with the intelligence his operations produced. He did not consider this a difficulty, but from OCI's point of view it was a difficulty. Thus, looking back from an Office of Training vantagepoint in 1970, a critic who had participated in the IWOG process could say:

> From its beginnings, the Clandestine Service had had a serious problem in moving information rapidly from field station to consumer. The problem was rooted not only in human fallibility but in the very nature of clandestinity. The identities of sources must be zealously protected, yet the reader must be given an adequate idea of their access, qualifications, and reliability. To make possible the discharge of these obligations, cabled intelligence was often interlarded with operational and semioperational information requiring thorough sifting by the Headquarters desk. In the matter of presentation, Headquarters reports officers sat in judgment on the field collector—interpreting, rewriting, converting what was merely a "cable" into something that could properly be called a "report." If they sometimes overdid the interpretation, annotation, and editing, that was an inescapable hazard of the system. All this took time.
>
> For some years it was thought that the only alternative to this method was that of the Foreign Service, whose field reports went directly to Washington consumers without prior review by the Department of State. This alternative was considered impracticable for the Clandestine Service, primarily because a Headquarters review was deemed essential on security grounds and also because field stations, knowing their cables would be rewritten, often did

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> not attempt to turn out a finished product. At its worst, this practice developed into a vicious circle; sloppiness in the field provoked fussiness at Headquarters, and *vice versa. At its best, it enabled the field to concentrate on operating without editorial distraction.*[49]

The "very nature of clandestinity," it would seem, made the processing of current information difficult—that is, difficult when done in bulk, and bulk is what OCI's mission called for. For the "very nature" of *current intelligence* was and is journalistic. The objective of all the watch offices and indications centers and global war rooms in Washington was and is to process *all the news that's fit* for analysts and leaders to know, and the chief competitor was/is *The New York Times.*

The divergence of view and habit between the Office of Current Intelligence and such other components of the Intelligence Directorate as (at various times) the Office of National Estimates, the Office of Political Research, the Office of Economic Research, and the Office of Strategic Research, was analogous to the divergence between, say, an international news service like Associated Press and a Department of International Relations at a University. It was natural that analysts in OCI who competed daily with, for example, Victor Zorza on the USSR and Joseph Alsop on China should think of the Clandestine Service stations [redacted] as natural competitors of the U.P., A.P. and N.Y.T bureau chiefs in those places. And it was natural for the analysts not only to solicit a greater volume of information but also to seek to improve the precessing system so that OCI could equal or surpass the reporting, rewriting, editing, and publishing machinery of the news services.

25X1

The solution to the problem of operational information in cables was to move the desk-editing function to the field. The device was one that looks obvious and rational, if one ignores misgivings within the Clandestine Service at both Headquarters and Field levels. This device was the INTEL Format Cable.

> There was nothing particularly mysterious or complicated about the "INTEL format cable." INTEL format was nothing more than a standard format which separated operational data from intelligence and which contained mandatory entries in sequence: the country the report dealt with; the date of the information; the subject; the place and date the information was acquired: the field report symbol and report number; the source authentication statement; the text of the message; and finally a record of the field dissemination given the report. At the top and bottom of the intelligence portion it was necessary to insert classification and controls. These required entries ensured that all essential elements enabling Headquarters to pass rapid judgment on the information would always be present. It guaranteed that cabled intelligence would be received in Headquarters in something approximating disseminable form.
>
> In a short time, the station-to-consumer span was reduced from days to hours—an average of thirty-six hours. This was better, but still not good enough. Fortunately, the state of the communications art improved, but there were still unacceptable delays—about eighteen hours time—in the action divisions while specialists edited, checked references, added Headquarters comments, and sometimes rewrote the whole report.

[49] George H. Montminny, "Rapid Transit in Clandestine Intelligence," *Studies in Intelligence* XIV/1, 36. (Emphasis added.)

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> The INTEL format, instituted in October 1957, was the first major breakthrough in the search for speed and paved the way for a serious attack on the problem of too much time between case officer and consumer.[50]

> As late as 1959 a senior Requirements Officer could deplore the habit of seeing the field operator as an all-purpose collector and refuse[ing] to believe that he can't undertake such easy tasks as collecting publications, clipping the press, etc. . . . The demands for this kind of thing are greatest in times of crisis, when analysts and policy-makers expect the covert operator to turn himself into a news association. . . . More elevated chiefs . . . often generate the greatest confusions by expecting and encouraging their particular collectors to range the spectrum of conditions and events. The result is wasteful competition, duplication, and superficial coverage. Policy-makers have even greater expectations. Anachronistically and conflictingly in this age of science, their naive faith in the collector as seer and soothsayer is the last refuge of the belief in magic. . . . The clandestine collector . . . , though often extremely well informed, is a methods specialist, not a subject specialist.[51]

But once a beginning had been made to get the CS officers in the field into the business of news production, the way was open for what OCI thought of as "a serious attack on the problem of too much time between case officer and consumer." One prong of the attack was the Watch Officer:

> On March 1, 1959, a proposal was approved for the establishment of a team of intelligence Watch Officers who would work around the clock and would be responsible for the immediate processing and the fastest possible dissemination of the more urgent intelligence cables. Initially, this group would consist of a Chief, an intelligence and administrative assistant and six Watch Officers, and would act only during *non-duty* hours. The hope was expressed that after a period of trial the hours might be extended and the unit might be able to handle an increasing number of intelligence cables. The original proposal recommended that the Intelligence Watch (IW) should handle cables bearing the precedence IMMEDIATE and PRIORITY, and, where time permitted, selected routine cables.[52]

There were misgivings at the working level of the Service, of course. George H. Montminny—a pen name for a DDP officer who assisted in setting up the INTEL Format Cables system and later was involved in training people for it—records that

> . . . there was an understandable reluctance on the part of the area Divisions to accept the principle that a group of officers, centrally located and not attached to a specific Division, could master the intricacies of reporting from all corners of the globe. But the Deputy Director of Plans had approved the establishment of the Intelligence Watch, and all concerned realized that the need for speed was paramount even if in the early stages the quality of the product might suffer.[53]

One must add that the concern on the part of the methods specialists in the Service's Area Divisions was not limited to the quality of the product or the global

---

[50] *Ibid.*, 37.

[51] Lowell M. Dunleigh, "Spy at Your Service, Sir," *Studies in Intelligence III/2*, 81-93

[52] Montminny, *op. cit.*, 37.

[53] *Ibid.*, 38.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

qualifications of the Watch Officers; there was also concern to maintain proper control of operations through continuous communications between Headquarters and Field, unmonitored and unedited by processors of information.

But the DDP, then Richard M. Bissell, Jr., had approved, and so the pressure on clandestine officers to produce timely prose in volume became an institution of the Service, while the manufacture of INTEL Format Cables in the field became a required skill for case officers, and the function of Reports Officer became a more prestigious specialty. Montminny says:

> The centralization of Washington dissemination of cabled field intelligence in a small group of officers who could not be experts on every country required a further improvement in the caliber of field reporting. The Office of Training included solid blocks of reports instruction in operational courses, and a new course in Intelligence Reporting, Reports and Requirements was established. To date (early 1970) there have been more than 80 runnings of this latter course, and more than 600 persons have been trained in it.[54]

On 2 May 1960, the Intelligence Watch Officers Group (IWOG) assumed total responsibility for screening all cables received in INTEL format, and as of 1970 was disseminating four of five intelligence cables received, thus enabling the CS Reports Officers "to devote more time and attention to professional guidance of field collection efforts." [55] In other words, Reports Officers, especially at Headquarters, became Requirements Officers, with predominant attention to serving the Watch Officer system, which put predominant emphasis on what Mr. Montminny calls in the title of his piece "Rapid Transit in Clandestine Intelligence."

Meanwhile, the old *Memorandum to the President*, which had been invented by Donovan, institutionalized by Harry Truman as the *Daily Digest*, expanded by OCI for President Eisenhower into the *Central Intelligence Bulletin*, "did not suit President Kennedy's style." So at about the same time that IWOG, together with a parallel and more senior CIA Operations Center under OCI, was becoming corporeal, OCI initiated publication of the *President's Daily Brief* (PDB). It was

> . . . a new publication different in style, classification, format, and length but not different in fundamental concept—a medium whereby we present to the President in the tersest possible form what he should know about the play of the world for that day, particularly as it impinges on U.S. national security interests. This publication became the President's own, leaving the Bulletin to serve readers at the next level down.[56]

OCI's Operations Center became the senior watch office in town,[57] with a facsimile transmission circuit to the Situation Room at the White House. The ascendency of CIA's Sales Department over its competitors in other Departments and

---

[54] *Ibid.*, 38.

[55] *Ibid.*, 40.

[56] James P. Hanrahan, "Intelligence for the Policy Chiefs," *Studies in Intelligence, XI/1,6*. This article is substantially the text of a paper read by Mr. Hanrahan to the Intelligence Methods Conference in London in September 1966.

[57] There are six major watch offices in the Washington area: CIA, NSA, DIA, JCS/J-B, State Department's Bureau of Intelligence and Research (INR), and the White House. These are connected by a secure telephone conferencing net called the National Operations and Intelligence Watch Officers Net (NOIWON). See United States Intelligence Board, *Handbook of Operating Procedures for the Reporting of Critical Information* (USIB)-D-30.6/7, 15 April 1967).

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Agencies is indicated by the fact that the Situation Room at the White House was and is staffed by officers seconded from CIA's Operations Center. To ensure that nobody ever again forgets "OCI's mission to brief the President and high policy makers," [58] a tour of the White House Situation Room is now included in OTR's Advanced Intelligence Seminar, which is an ecumenical course given to officers from all Directorates.

Now so far we have been talking mostly about Washington, where the Headquarters of the Service still strives to respond to its stations overseas and to direct those stations in ways moderately in consonance with the tradition of clandestinity. What is the effect of the Sales Department on the people actually doing the work abroad? We can lead into this question with a war story.

The Case of John Smith

The time is early 1974, the place Saigon. We have just learned in time for the Station Morning Staff Meeting that the evening before, down the street in the Palace, various GVN leaders held a meeting where they discussed impending transfers of corps commanders, the impact of increased petrol costs on the military budget, the status of the American supplementary aid bill, and certain other, more frivolous, matters. Immediately after the Station Staff Meeting, the chief of the Saigon Base calls in the chief of the Base's Internal Branch and asks for details of the Palace meeting.[59] Within minutes a half-dozen case officers reach for their telephones, call politicians and military officers, make appointments. Within hours the case officers are back from their interviews tapping at typewriters. Before Saigon's day is over, their efforts have been consolidated by the Station Reports Office, and when Washington's day begins, the Office of Current Intelligence has the poop minus the frivolous matters. Everybody is pleased, or seems so.

But the next morning, a young case officer of the Communist Operations Branch comes to see the Base Chief and requests transfer to the Internal Branch.

"Why?"

"I need a promotion."

"But you are now working on Priority A, the enemy, John. You speak French and Vietnamese. You have become expert on the structure and personalities of VC MR IV.[60] You're physically brave and diligent. You're in line for promotion. Why in the name of Christ, Buddha and all our Ancestors, not to mention the Constitution of the United States, do you want to spend your time interviewing a bunch of politicians?"

"Because what counts toward promotion are dissems and recruitments. One, dissems; two, recruitments. In VC ops I may get out two dissems a month, and maybe make one recruitment before my tour is over."

[58] Quoted earlier (footnote 34) from Worman's *History of OCI*.

[59] Station Headquarters was in the Embassy; Saigon Base was in a nearby building, and the Base Chief attended the daily morning staff meetings of the Chief of Station. The Base had three branches: Internal, which covered the host country political and military target; External, which covered the Soviet Bloc target; and the Communist Operations Branch, which covered the Lao Dong Party (VC) unilaterally and handled liaison with the Vietnamese Services.

[60] "VC MR IV": Viet Cong Military Region Four, the element responsible under COSVN (the DRV/VC forward command post) for espionage, sabotage, guerrilla warfare, and support of regular North Vietnamese Army Operations in the Capital District of Saigon, Cholon and Gia Dinh.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

"I hope so. We need another one."

"But in Internal Branch I can produce four or five dissems a week and recruit a new agent every time the Palace or the JCS has a reshuffle. All I have to do is hustle a little and get your approval to offer dough, get a POA [61] and all that. Mind you, I like VC operations; I know why they are important; I can hack it in them as well as the next guy; but I have a family to feed; Linda is pregnant; the kids have to be put through school."

"I'm beginning to see your point."

"I know that in my Fitness Report you will praise my work against the hard target, but I have it on good authority that the Promotion Boards compare *numbers* of recruitments and *numbers* of dissems. I'm afraid the distinction between a penetration of the Lao Dong Party or the Armed Reconnaissance Section of the VC MR IV *An Ninh* [62] and an Assemblyman who likes our money may not be recognized, especially when everybody in Washington reads the stuff from the Assemblyman, while you'll P&L [63] my penetration if I get him. I'll have to spend most of my time arranging commo with him to get the one P&L report a month that will have very small readership among future members of my Promotion Board."

Since what is written above is fact, not fiction, and since we are using fact to illustrate a situation, the result of the foregoing conversation—how the Base Chief handled his personnel problem—can be suppressed. But we cannot suppress the general problem. Inspirational leadership or tight-shippery may solve John Smith's problem after a fashion and for a while, but given the pressures the supervisor is under to keep that volume of soft-target reporting in the flexowriter, it is more likely that Smith will indeed wind up in the Internal Operations Branch. Certainly so long as the Sales Department of our diversified conglomerate sets the tone for the whole organization, a well-staffed Internal Operations Branch will continue to exist wherever the operating climate is not so hostile as to preclude it.

In areas where the operating climate is hostile, the so-called Denied Areas, our stations contribute a quantity of reporting to each Mission's product of current information. They are occasionally required by Headquarters to comment on Kremlinological evanescences (what is your assessment of Przybyszewski's absence from the podium on International Women's Day?); but, according to officers who are serving or have recently served in the Curtain Posts directed by the Soviet Europe Division, the desks protect them from this kind of pressure more than station chiefs elsewhere are protected. On the other hand, Curtain officers normally carry a huge cover load, maybe 80 percent of their normal 60 to 75 hour week, and this involves them in reporting of nonclandestinely acquired information. The device still used is that of *relinquishment*, which is discussed later in this paper. The real job of our Curtain officers, of course, is maintaining and supporting communication with agents, and if truly clandestine operations are still conducted anywhere in our Service, it is in SE Division.[64]

---

[61] POA: Provisional Operational Approval from CI Staff.

[62] Mission of *An Ninh* ("Security"): VC Law Enforcement/Assassination. The 316th *An Ninh unit,* formed about this time, was chartered to "eliminate American Tyrants."

[63] P&L: "Prescribed and Limited." See *DDO Instruction* DOI 70-11, 18 October 1974, CONFIDENTIAL. Such penetrations were automatically given P&L handling to protect the identity of the source and the safety of the case officer.

[64] Nothing in this paragraph, however, should be construed as reflecting the author's endorsement of SE Division's recent performance in the field of counterespionage or counterintelligence.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

The fact that true clandestine operations are conducted precisely in those stations where the accomplices in journalism—friendly government officials, cooperative American businessmen, refugee camps, police and intelligence liaison counterparts, and venal politicians—are *not* accessible demonstrates one of the main points of this paper.

A Review

We have seen that by the time of the first Presidential flaps—Eisenhower's U-2 and Kennedy's Bay of Pigs—the relationship between the conductors of espionage and the analysts of current events had evolved from a state of symbiosis into a condition approaching syngenesis. We have sketched the causes of this, which can be summarized:

— Expanding competitively in the departmental milieu, the Agency built up production of current intelligence partly in order to fulfill its role as a *presidential* instrument and partly to establish its position as a *central* agency dominant over the intelligence producing organs of the departments;

— OCI, expanding competitively within the Intelligence Directorate and among the departments, sought ways to exploit the Agency's overseas facilities to increase the volume of raw materials for its processing plant and to establish a company-controlled subsidiary source of those raw materials, independent of departmental competitors;

— OSO and its successor faction in the Plans Directorate, competing defensively against OPC and its successor faction, sought to exploit the Intelligence Directorate for support of espionage operations. Initially this took the form of soliciting operational intelligence for planning and of evaluation of reports for authentication of agents. Later, it became an effort to create a dependence of OCI on raw material that a *modified* espionage mechanism could produce.

Such were the causes. Since causes in history often, if not usually, result in effects not desired or anticipated by history's participants, we may ask whether the present situation is agreeable or beneficial to the participants.

— Does the analyst of current information need what he is now getting from the Clandestine Service?

— Does the Clandestine Service need the advice, support or guidance of analysts of current information? If so, what kind?

— If either of the foregoing is answered, "yes," under what conditions is the answer true? After what assumptions or presumptions?

Economic Intelligence: No and Yes

For some of the answers to these questions, let us move away from the Office of Current Intelligence and look elsewhere. Economic intelligence is one kind in which current information predominates, much as it does in political intelligence; often the two kinds are so interdependent that the same item is competed for and consumed in both the economic and political bureaus, which remain separate according to the immutable laws of bureaucracy.

About a year after our young Smith made the importunation recorded earlier, Leo Cherne of the President's Foreign Intelligence Board (PFIAB) made a ten-day trip

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

through Western Europe interviewing the US officials involved or involvable in economic intelligence—Chiefs of Mission, Economic Ministers/Counselors, Treasury Attachés, and DDO Station officers—"to discuss economic intelligence, to learn more about the means involved in assembling such intelligence, to observe the relationships among those directly involved in that process and between them and their colleagues in the embassies, and to ascertain how well directed are our economic intelligence efforts." [65] Mr. Cherne asked people in the missions whether the economic reporting of the CIA Stations was worth anything. He got two answers.

The response from the Foreign Service Officers in Economic Sections, the Treasury people, and the senior diplomats was "No":

> By and large, missions do not think of the CIA station as an integral part of the process of economic analysis and reporting. The tendency is view CIA efforts as detached, often irrelevant, sometimes irritating, occasionally embarrassing and, in the best of cases, mildly helpful. More than one Ambassador and several senior Economic Section officials are of the opinion that there is no real need for any major restructuring of intelligence resources for the pursuit of economic intelligence—that the problem is one of too much data rather than too little, and that the vast preponderance of desired information is already available. Indeed, the proposition was forcefully advanced that intelligence in the traditional sense (which is understood to mean "clandestine") has little to contribute in the economic area. . . .
>
> Clandestine collection of economic intelligence targeted against the host country is authorized in limited degree [redacted] The mission's Economic Section personnel in these embassies acknowledge only marginal value to the results of these clandestine efforts as they relate to an understanding of the economic situation in the host country; they also assert that *only a limitation in the resources of their Economic Section prevents the obtaining of similar information through normal channels.* Where a small contribution by the Clandestine Service is conceded, it is assessed as between 5 and no more than 15 percent of the totality of mission economic reporting; yet, in no instance was an acknowledgement made of any essentiality to the information produced through clandestine sources. *It is a bedrock belief on the part of Economic Section personnel that virtually any information of significance regarding host countries in Western Europe is obtainable without resort to clandestine methods.* At the extreme, one well-informed, experienced economist, having a long association with the intelligence community, denied that he *has ever, over a 15-year period, seen any economic intelligence produced by the Clandestine Service that was of more than marginal interest—that at best it was titillating.*

25X1

You will recognize this as partly the traditional State attitude toward the spooks, and you will see further examples of it in an examination of political intelligence in a later section of this Paper. Mr. Cherne observes that some of the animus of State's view of the Service is engendered by interdepartmental rivalry:

> This view by the mission staff is almost certainly derived from the fact that station activity overseas (as distinguished from intelligence community

[65] "European Trip Report. 17-27 March 1975, Paris, Bonn, Rome, Zurich, Bern, Brussels, London," to the President's Foreign Intelligence Advisory Board, 18 April 1975. Copy #40, SECRET. This report is only 20 pages long, so page numbers are not cited for quotations. I have altered the sequence without modifying the logic.

> functioning in Washington) is almost entirely concerned with clandestine collection. Station personnel perceive themselves—but, more importantly, are perceived by others in the mission—in precisely that context. There is not the leavening such as exists in the United States where clandestine activity is only one of a variety of sources, which include as predominant inputs serious research, determined professional effort, and important academic substance. Where in contrast the work is essentially illicit, as in the case abroad, it cannot be surprising that attitudes asmong those not directly involved in that work reflect suspicion and hostility. Also, it would be remarkable if the critical attention which has been focused on intelligence activities in the United States during recent months has not made a further negative contribution to the attitude of mission personnel toward clandestine operations and intelligence officers . . . .
>
> There were a few embassy/CIA station relationships that clearly reflect tension which is not merely an outgrowth of the perception that clandestine intelligence activity has little relevance to economic analysis; it is reflective of a deeper sense of suspicion that manifests itself in a "we-they" syndrome . . . There is a great concern for the disruptive potential of CIA personnel interfering with contacts and sources that Economic Section officials would use. In some instances where this has occurred, mutual embarrassment of varying orders of significance has resulted. Further, a point was made regarding the "clubbiness" of Treasury personnel—U.S. and foreign—who prefer to deal only with their professional counterparts.
>
> But the answer Mr. Cherne got from our people in the DDO Stations was "Yes."
>
> Contrasting sharply with the view of Economic Section officers, who see little or no need for clandestine collection of information against Western European countries, CIA station personnel firmly believe they can make valuable contributions. That conviction matches and is in turn reinforced by high ratings which the CIA (DDO) accords to the present, constrained efforts of stations. It is important to note, however, that these assessments of worth are given to collectors by other collectors and only infrequently do they reflect comments of policy makers. There is no comparable rating mechanism to establish the consumer's sense of worth.

What a curious and dramatic situation! Six of our Stations and one of our Bases had made a point of telling the important visitor that "the primary orientation of CIA personnel remains the Soviet Union, the People's Republic of China and other Communist entities, (and) even in the embassies where host government targeting is authorized, a preponderance of resources is devoted to these targets." The stations and base were at least as sensitive as Mr. Cherne to the indifference, disapproval, or hostility of the overt Foreign Service and Treasury collectors toward their efforts; nevertheless, they pleaded to stay in the act of collecting nonsensitive economic information.

That the direction of their ambitions is non-clandestine is made clear in Mr. Cherne's report:

> There are a few locations in which mission personnel consider the efforts of the intelligence officer to be valuable. This appears to result from the fact that the intelligence officer is the nearly exclusive source of information in a

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> lucrative area and, by virtue of long-established contacts and personal competence in the field, is able to produce useful assessments. In such cases the bulk of the officer's product is not obtained by resort to traditional clandestine methods; in other words, he functions almost as any similarly equipped Foreign Service Officer might. . . .
>
> Among the CIA station officers who believe they can make significant contributions are those who value themselves as informed economists with well-placed, essentially overt contacts rather than as clandestine operatives. . . .
>
> One CIA station officer discussed a different approach for using the Clandestine Service to collect economic intelligence—that of emphasizing "elicitations" from a wide range of contacts who are aware of the officer's competence in the economic field and on whom the officer may be able to call for the fulfillment of specific data requests. This concept would concommitantly de-emphasize the recruitment of controlled agents. The extent to which this approach has been implemented and its effectiveness in practice are unknown.

As we ponder this extraordinary statement we should remember that economic intelligence suddenly became fashionable after the Arabs raised the price of oil and nobody sent any gunboats to put them in their place. The Station Chiefs with whom Mr. Cherne talked in Europe may have had time a year earlier to read *Foreign Affairs* and to note that their former colleague William P. Bundy, editor of that magazine, had organized a five-article symposium of "The Year of Economics" [66] with Germany's Minister of Finance Helmut Schmidt writing the lead piece. The former top authority in the community for requirements, USIB (the United States Intelligence Board), with which Mr. Bundy had been prominently associated, [67] assigned only five "Substantive Objectives" to the community for Fiscal Year 1976. Number Five was to collect and produce intelligence on

> Major foreign economic developments and trends relevant to U.S. international policy decisions and negotiations, particularly those related to energy, raw materials, food resources and to international trade arrangements.[68]

The nine Key Questions (numbered 60 through 68) composed by USIB to achieve this Substantive Objective do indeed offer opportunities for the proper use of spies, if we agree that proper spies are those who acquire significant information not obtainable except by theft. Number 61, for example, asks for *principal objectives* of France, Germany, Japan, the UK, Italy, Canada and Brazil—in negotiating multilateral trade arrangements. Numbers 62, 63 and 64 ask about *policies*. Number 67 asks for *plans* within European Community programs. Number 45, under the Substantive Objective No. 3 on potentially volatile situations, asks "what are the *plans* and actions of the

[66] "The Year of Economics," *Foreign Affairs, LII/3* (April 1974). Five articles by Helmut Schmidt, Gerald A. Pollack, William Diebold, Jr., Bension Varon with Kenju Takeuchi, and Lyle P. Schertz. All deal mainly with oil except Schertz, whose subject is food.

[67] See William P. Bundy, "The Guiding of Intelligence Collection," *Studies in Intelligence III/1*, 37-53. This is the text of an address to an international conference in Melbourne which Mr. Bundy attended in his capacity as a member of the Board of National Estimates, on which he served from 7 September 1958 to 21 January 1961.

[68] Director of Central Intelligence, Memorandum for the United States Intelligence Board, "Key Intelligence Questions for FY 1976, "(USIB-D22.1/42, 27 August 1975), SECRET. Short Title: USIB KIQ 76.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Arab States for the political use of petrodollars?" To answer any of these questions fully, one might have to commit a theft, since most of the objectives, plans, and policies here considered may have some aspects that their formulators do not wish to share with the United States. One can imagine a role for a subverted secretary at one point or an invisible microphone at another, and one can imagine that the agents used would be of long-range value, or potential value, on the principle of strategic coverage as distinguished from current production.

Indeed some of Mr. Cherne's DDO informants may have been thinking along these lines when "time and again the point was made of the impracticality of expecting the Clandestine Service to hatch an agent on demand." Perhaps our colleagues who thus "time and again" spoke up were thinking that the demand for economic information might be used as the vehicle for developing agents in banks or oil companies or legal firms to steal that occasional significant document or implant an eavesdropping device in that occasional secret conference where the man in the burnoose exchanges the big secret with the man with the monocle. And perhaps the agents thus recruited, trained, developed, and controlled may have a long-range function—*coverage* of potentially or recurrently difficult targets, as distinguished from voluminous, continuous *production* on easy targets.

But I do not think that is what my colleagues were thinking, for to think so is to be ready to practice relinquishment, and relinquishment is an obsolete practice.[69]

Relinquishment

Relinquishment was the name given years ago to a device used partly to save time, partly to curry favor with our cover colleagues—those genuine [redacted] Officers in the [redacted] Sections we inhabited—and partly to make sure that the government got all the information that came along whether by accident or design. To practice relinquishment required no great skill: if, for example, you had conducted a rendezvous with an agent whom you controlled within the Foreign Office and who gave you the latest results of his secret maneuverings with, say, the Albanian Minister, and he incidentally told you that his Ambassador in Ottawa had proposed a cultural exchange with the Canadians, you walked down the hall to the FSO who was keeping track of such matters as cultural exchange and gave him the Canadian story. If he did not already have it, he could report it as his own acquisition, or he could make a note of it and use it for background later. You had "relinquished" it to State, and could get on with your own report on the Albanian story and the operational implications for the development of your agent, through whom you hoped to recruit the Albanian.

25X1

25X1

But the practice of relinquishment is not heavily in use now, except by the tiny number of our Service's officers in stations where [redacted] the work is operational. Mr. Cherne's unnamed informant in Western Europe clearly was not planning to reduce the workload of his reports officers when he proposed more elicitation at the expense of de-emphasizing espionage.

25X1

A slightly cynical but pertinent way of commenting on the remarks of the anonymous DDO officer who would "de-emphasize the recruitment of controlled agents" is to cite Anthony Downs's observation that

[69] The practice was still current in 1964, or at least was accepted as doctrine. See Theodore H. Tenniswood, "The Coordination Of Collection," *Studies in Intelligence VIII/2*, 50: "Overt collection by CIA station personnel as a by-product of their official cover duties or of their clandestine operational activities, often reported through embassy channels. . . ."

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> Bureaus threatened with drastic shrinkage or extinction because of the curtailment of their original social functions will energetically seek to develop new functions that will enable them to survive with as little shrinkage as possible.[70]

As Mr. Cherne points out elsewhere in his report, the impact on the morale of DDO officers abroad of the press and legislative campaign against the Agency had been deep, serious, and of long-lasting character.[71] In part, his unnamed DDO informant was probably groping for a way to keep busy and maintain the T/O in a circumstance where the news from home indicated that total abolition of himself and his unit was conceivable. In part, he was reacting to stress in the manner of Henry James's little dressmaker, Amanda Pynsent, who "threw herself into little jobs, as a fugitive takes to by-paths, and clipped and cut, and stitched and basted, as if she were running a race with hysterica." [72] But most importantly he was acting in the venerable DDP-DDO tradition of "Candoism." When a wheel turns up from Washington with a requirement, whether to bodyguard a VIP, solve the nation's narcotics problem, provide a secure communications channel from Ambassador X to the Honorable Y, suppress skyjacking, stop gold smuggling, interdict Cuban shipping, prevent earthquakes, or lose a war, the Service seldom says, "No Can Do." The Church Committee rightly says of "the (traditional) way people within the DDP, the DDI, and the DDA perceived the Agency's primary mission, the way policy makers regarded its contribution to the process of government," that

> covert action was at the core of this perception. The importance of covert action to the internal and external evaluation of the Agency was in large part derived from the fact that *only the CIA* could and did perform this function. . . . Political action, sabotage, support to democratic governments, counterintelligence—all this the Clandestine Service could provide.[73]

It has been our devout presumption that the DDO can do anything any other bureau may try better than that bureau, and few are the bureaus that have not experienced our benevolent intervention, whether it required diverting our resources from espionage to some other job or not.

On balance we must conclude that Mr. Cherne's unnamed DDO officer was conditioned by the same stimuli as John Smith. Otherwise why think of, much less audibly suggest, "emphasizing elicitations" while "de-emphasize[ing] the recruitment of controlled agents?" Overt reports "elicited" from economic sources do, after all, come in larger volume than stolen documents or traitorous oral revelations; they are simpler to evaluate, require no special handling, and can be acquired without the

---

[70] *Op. cit.*, (footnote 7) 264.

[71] Cf. Daniel O. Graham, *op. cit.*, Writing some months after his retirement as Director of DIA, General Graham says, "The morale problem is serious. Men and women, civilian and military, who have proudly devoted a large part of their lives to the intelligence profession, are faced with a barrage of accusations against themselves and their superiors which paint them as fools, if not agents of utter wickedness. The intelligence 'heroes' on the current scene are those who break their oaths and for profit, ego, or even vengeance, vilify their embattled former colleagues. Disillusionment, frustration and bitterness are common among intelligence professionals. The morale problem is worst at CIA, which has borne the brunt of the flagellations by Congress and the media."

[72] Henry James, *The Princess Casamassima*, (Thomas Y. Crowell Apollo Edition, New York, 1976), 17. A novel about terrorism, anarchism, and civilization, first published in 1886.

[73] *Book I*, III.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

bother of countersurveilled meetings, dead drops, SRAC,[74] cut-outs, and all the paraphernalia necessary to protect spies.

In the face of diametrically opposed views on the feasibility and viability of using espionage to procure economic information, Mr. Cherne reserves final judgment, suggesting that the intelligence community, together with two non-members (as he sees them) of that community, namely State and Treasury, "should determine whether covert collection in Western Europe has a proper role in the field of economic intelligence, and, if so, specifically what that role should be." We should mark well a distinction that Mr. Cherne does not here make, the distinction between *covert collection* and *espionage*, since it is necessary to the logic of this paper that we not confuse the kind of elicitation earlier mentioned with espionage. If we assert that distinction, the question raised by Mr. Cherne's paper is whether to use the management and labor time of the Clandestine Service in activity peripheral to espionage. Clearly Mr. Cherne's conclusions regarding espionage as a producer of economic intelligence would be adverse.

Incidentally, while Mr. Cherne was conducting his interviews in Europe, the Murphy Commission in Washington was reaching the same conclusion, and in the report delivered to the President on 27 June 1975 said:

> Unlike military intelligence, which frequently requires enormous investments in data gathering, most economic issues do not depend *upon secret information*. The key to their understanding lies in highly competent analysis of readily procurable data. Commendably, CIA has greatly strengthened its capability for economic analysis in recent years. But—with some exceptions—this is not a field in which CIA or the intelligence community generally has a strong comparative advantage.[75]

And so one answer, the economic, to the question whether the analyst of current information needs clandestine sources remains "No," our DDO colleagues [25X1] to the contrary notwithstanding.

Returning to the larger subject of political intelligence, we find still tabled the question, do the analysts need current political reporting from the Clandestine Service? If the answer to this turns out also to be negative, we shall be faced with an obvious recommendation: let political collection, the current variety of it, be left to the overt collectors in our missions abroad. This would affect the functions of at least two bureaus—the Department of State as well as the Central Intelligence Agency—and of at least two services—State's Foreign Service as well as CIA's Clandestine Service. And so, before asking whether our own OCI really needs our semi-journalistic endeavor, let us get clear what State's view of the question is, and what the Foreign Service is.

How the Hippopotami Answer

One of State's thinkers who has recorded his views is Charles W. Yost, a Career Ambassador who had forty-one years service when he retired in 1971 to write his

[74] SRAC: "Short Range Agent Communication," a term usually applied to several kinds of radio.

[75] Commission on the Organization of the Government for the Conduct of Foreign Policy, established by Public law 92-353 of 13 July 1972. Chairman Robert D. Murphy. This Commission employed a very large number of staff researchers and consultants, some of whose separate reports are quoted elsewhere in this paper. The report is published by the Government Printing Office under a letter from Mr. Murphy dated 27 June 1975. Hereafter *Murphy Commission*.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

book.[76] He finds that although " 'intelligence'—that is, information—is extremely important . . . most significant current 'intelligence' is published in the daily, weekly, or monthly press."[77] He notes that "much proficient and useful political contact and reporting is . . . done by the Central Intelligence Agency. . . ."

> But the fact is that nine-tenths of the really valuable contacts they have maintained and information they have collected could have been handled as well by State Department political officers if the embassies had been properly staffed for that purpose. In addition, this could have been done without the stigma and risks that attach to a covert operation and which reflect on the embassy sheltering such operations. There remains the 10 percent or so of desirable political intelligence which cannot be collected by overt means, but this could either be garnered by vastly smaller covert stations than now exist or could be dispensed with altogether without great loss.[78]

Ambassador Yost would agree with Messrs. Szanton and Allison that "Foreign Service reports from posts abroad—not considered intelligence in the usual sense—are probably the largest and often the most important source of information on foreign political and economic developments"[79] and with Miss Karalekas's observation that even before the Clandestine Service began producing current intelligence in volume, that is, "between 1946 and 1949, CIG and later CIA received almost all its current information from State . . ." rather than from the other departments of bureaus.[80] And much agreement with this view is on record from other diplomats. In 1973, for example, a panel convoked by the Murphy Commission interviewed four senior officials of the Department on "Intelligence and Information for Policy and Operations." [81] Roger P. Davies, whose Bureau within State worries about India, Iran, the Arabs, the Israeli, and all other lands and peoples from Dacca to Athens, opined that "the greater part of information available to country operators in the Department as well as to other agencies of government is derived from Foreign Service reporting from posts abroad." [82]

This statement was in only quantitative disagreement with INR Director Ray S. Cline's estimate that "about 40 percent of what I call intelligence—that is, evaluated information being reported to the highest levels of our government in all agencies including the White House—is based on economic and political reporting from the embassies abroad, from the Foreign Service. . . ." Both agreed that "it is a very vital

[76] *The Conduct and Misconduct of Foreign Affairs* (Random House, New York, 1973). For a review reflecting the Clandestine Service point of view as of time of publication, see Walter Pforzheimer, *Studies in Intelligence XVII/2*, 82.

[77] *Ibid.*, 158. Ambassador Yost's final judgment on the Agency is adverse, though he was always a sensible, understanding, and friendly colleague in the many embassies (among them Bangkok, Prague, Vienna, Athens, Vientiane, Paris, and Rabat) [redacted]

25X1

[78] *Ibid.*, 159.

[79] *Op. cit.*, 188.

[80] *Op. cit.*, 15.

[81] Murphy Commission, "Minutes of Meeting Convened 17 September 1973," chairman William S. Mailliard. Present for the Commission were 18 persons, including Senator Mike Mansfield; panelists from Department of State were Ray S. Cline, Director, Bureau of Intelligence and Research; Roger P. Davies, Deputy Assistant Secretary of State, Bureau of East Asia and Pacific Affairs; and Samuel Fry, Director, Operations Center, Executive Secretariat. A copy of the minutes was made available to the Center for the Study of Intelligence.

[82] *Ibid.*, 19.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

input and we are very anxious that it be used well and in a sophisticated fashion." [83] The proportion of FSO reporting that "goes into the intelligence process," as estimated by the Murphy Commission's William J. Barnds is only 20-25 percent, but Barnds notes that

> Another major source of information comes from the reports of civilian officials of U.S. government agencies including CIA stations abroad. The most important of these are the reports of the Foreign Service Officers in embassies and consulates, but also included, are the reports from U.S. AID missions, attachés from the Treasury, Labor, and Agricultural Departments, and USIS personnel. The cables and dispatches of Foreign Service Officers, containing as they do the results of conversations with local government officials as well as background studies, probably are the most important sources of political information available.[84]

And the Church Committee says:

> The Department of State and the American Foreign Service are the chief producers and consumers of political and economic intelligence in the United States Government. . . . The Foreign Service competes with the Clandestine Service in the production of human source intelligence, but operates openly and does not pay its sources. . . .
>
> The reporting of the Foreign Service, together with that of the military attaché system, based on firsthand observation and especially on official dealings with governments, makes up the most useful element of our foreign intelligence information. Clandestine and technical sources provide supplementary information, the relative importance of which varies with the nature and accessibility of the information sought.[85]

The Church Committee gives high marks to the Foreign Service's reporting, and quotes a CIA survey to support them:

> Surveys carried out by the Director of Central Intelligence make clear the importance of Foreign Service reporting in the production of national intelligence. In these surveys analysts are asked which collection sources had most often made a key contribution to the *National Intelligence Bulletin* and national intelligence memoranda and reports. The ranking reflects intelligence inputs regarded by the analysts as so essential that basic conclusions and findings could not have been reached without them. The State Department's collection inputs have consistently led the ratings.[86]

There seems to be a consensus that leans toward Mr. Yost's judgment that the use of spies to procure current information on political and economic subjects is a paltry endeavor, if only because the significant bulk of such information is otained by

- — overt officials openly interviewing foreign persons abroad, or
- — research of foreign overtly published and broadcast information.

[83] *Ibid.*, 13. Percentages on this subject are somewhat like those used by weather forecasters to tell us how much rain will fall.

[84] William J. Barnds, "Intelligence and Policy Making in an Institutional Context," Appendix U, *Intelligence Function Analyses*, Murphy Commission (GPO June 1975), 25.

[85] *Book I*, 306.

[86] *Ibid.*, 315, footnoted "Key Sources of Selected CIA Publications, Annual Survey done by Directorate of Intelligence of CIA (1975)."

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

The answer for political intelligence, as for economic, to the question whether the analyst of current information needs clandestine sources, as given by consumers outside the Central Intelligence Agency, is "No."

FSOs: The Shy Élite

Earlier we noted a difference of species between the clandestine operator and the analyst, between the gorilla and the elephant. In the jungle of foreign operations there is also a third species, like a hippopotamus, called the Foreign Service Officer, the FSO. Between the FSO and the intelligence officer, whether collector or analyst, there appear to be qualitative and functional differences which may be ecologically necessary to the functioning of all three species. The analyst Theodore H. Tenniswood, writing in 1964, says:

> The Foreign Service does not wish its officers, and most of the individual FSOs do not wish themselves, to be looked upon as "intelligence officers.[87]

and the official definition of the Foreign Service in the *United States Government Manual* stresses diplomatic activity, i.e., the conduct of relations and the forming of policy rather than the reporting function:

> To a great extent the future of our country depends on the relations we have with other countries, and those *relations are conducted* principally by the United States Foreign Service. Our representatives at 129 Embassies, 9 Missions, 73 Consulates General, 44 Consulates, 1 Special Office, and 13 Consular Agencies throughout the world *report* to the State Department on the multitude of foreign developments which have bearing on the welfare and security of the American people. These trained representatives provide the President and the Secretary of State with much of the raw material from which foreign policy is made and with the *recommendations* which help shape it.[88]

This is a rather élitist concept. John W. Huizenga notes for the Murphy Commission that:

> The FSO does not, and does not like to, think of himself as an intelligence collector. Part of his problem is imagery and semantics: he does not mind reporting "information," but he does not think of it as "intelligence," though in fact it is. Also, some missions tend to emphasize reporting on operational diplomacy and neglect in-depth study of forces behind the politics and policies of their host countries.[89]

And John Ensor Harr writing for the same body, calls the FSO Corps "the permanent and high-status core group of personnel in U.S. foreign affairs."

> It is a system identified with professional groups in the public service, and the profession in this case is conventional diplomacy, consisting of reporting, negotiating, and representing U.S. interests abroad generally. The style is

[87] Tenniswood, *op. cit.*, 50.

[88] *U.S. Government Manual, 1974-75*, Office of the Federal Register, National Archives and Records Service, General Services Administration (GPO, 1975).

[89] Comments on "Intelligence and Policy Making in an Institutional Context" (Barnds,q.v), *Murphy Commission* Appendix U, 43.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> that of the humanist rather than the scientist, the investigative journalist rather than the scholar, and the teacher rather than the manager.[90]

The Department's own task force, established in 1970 under the Deputy Under Secretary of State for Administration (William B. Macomber, Jr.) to "design a modernization program" says:

> The Foreign Service is a closed, hierarchical professional corps devoted to assisting in the formulation and implementation of the foreign policy of the United States. . . .
>
> The Foreign Service is a carefully selected professional service whose cohesion and discipline are essential to maintaining continuity and professional competence in the conduct of U.S. foreign policy . . . However, these qualities and the mission of the Foreign Service make inevitable a significant degree of insularity. . . .
>
> These conditions of the profession engender a clan mentality, a sense of detachment from the physical environment of the moment and from the community of ordinary Americans as a whole.[91]

Here is an Inside-Outside mentality not unlike that found in Clandestine Service personnel by Tom Braden,[92] but there is a great difference—the Candoism of CIA's Clandestine Service is not characteristic of the Foreign Service.

> Looked at historically, U.S. foreign policy is a continuum. Present positions are the product of a long chain of historical events, identification of interests and previous policy decisions. Only rarely does a Foreign Service officer encounter an absolutely new situation. This fact of professional life has an important influence on the Foreign Service officer's mentality. It causes him to approach a current issue with a heavy sense of responsibility. He knows that there are no ideal solutions, that good men have gone over the ground before and that existing policy represents a synthesis of interests and objectives which was presumed to be valid once and may still be. These same factors also encourage a tendency toward inertia. . . . He tends to be reserved toward the outside expert who enjoys the luxury of not having to deal with the real-life consequences of his misjudgments.[93]
>
> This is very judicious language, summarized elsewhere in terms of the indefinable terms, "creativity":
>
> In its investigation of the mores, values, procedures, and system of rewards in the Department and the Foreign Service, the Task Force found that all of these acted as barriers to creativity. We found that the value system of the Service respected precedent and conformity to standards above all else and that this led to resistance against innovation. We also found that the Foreign

[90] "Organizational Change in U.S. Foreign Affairs: 1945-1975," Chapter I of *Making Organizational Changes Effective: Case Analyses of Attempted Reforms in Foreign Affairs*, Appendix O, Murphy Commission. This Appendix is dated June 1975. See also Harr's *The Professional Diplomat*, (Princeton University, 1969).

[91] *Diplomacy for the 70s, A Program of Management Reform for the Department of State*, Department of State 143. Released December 1970 under a letter of the Deputy Under Secretary of State for Administration William B. Macomber, Jr.; p. iii. Hereafter *Macomber Report*.

[92] *Vide supra*, footnote 4.

[93] *Macomber Report*, 381*f*.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Service's notion of itself as a kind of élite corps, while it has been of value in the maintenance of high professional standards, has also produced a tendency toward insularity which leads to resistance to ideas from the outside.[94]

Candoism and Creativity

Candoism and Creativity are not the same thing, of course, for much of our Service's Candoism is merely reactive, but there is an element of assertiveness or aggressiveness common to both. Task Force VII of the Macomber Group, which examined "creativity" in the Department,

> . . . concluded from its investigation of the top leadership . . . that while these leaders have favored creativity in principle, their record in fostering a climate for creativity has been poor . . . . The intellectual atrophy . . . during the fifties was a compound of presidential dissatisfaction, political reaction, Departmental conservatism, bureaucratic proliferation. . . . New ideas to cope with the Sino-Soviet dispute and the end of monolithic Communism, the fast-emerging nuclear economies, and the diplomacy of guerrilla war . . . were greeted by conservative dismay in an organizaton fearful of change.[95]

If we hold the concepts of Candoism and Creativity as lenses in either hand and view CIA's Clandestine Service and State's Foreign Service in stereovision, we see that both are élitist, but only one is competitive. Indeed, part of the Foreign Service's élitism is a sort of militant noncompetitiveness. Morton H. Halperin sees it in just such terms:

> Career Foreign Service officers view their enterprise as an élite organization composed of generalists, and they resist the introduction into the department of novel functions and of experts who might be needed to perform those functions. . . . State has continued to resist the transfer to it of such agencies as USIA and AID and in so doing has demonstrated that organizations may oppose expansion instead of seeking it. . . .
>
> Many Foreign Service officers resisted the policy ordained in the letter from President Kennedy to ambassadors instructing them that they would have operational control over all programs in their bailiwick, including at least some of those of the Central Intelligence Agency. These officers feared that control over such programs might prove to be embarrassing and would prevent them from focusing on the important functions of reporting and negotiation.[96]

When the Church Committee looked at the Department of State's behavior in regard to the distribution of resources between representation and reporting, it was startled to find:

> . . . no evidence of any correlation between the importance attached by the intelligence community to the Foreign Service collection operation and the application of resources in men and money to that operation. Indeed, political and economic reporting positions abroad have been steadily

---

[94] *Ibid.*, 293.

[95] *Ibid.*, 292. Task Force VII's full report, "Stimulation of Creativity," occupies 291-341.

[96] *Bureaucratic Politics and Foreign Policy*, (Brookings Institution, Washington, 1974), 37.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> reduced for some years. In one major European country crucial to America's security there is only one Foreign Service political reporting officer located outside the capital due to such cutbacks. The Ambassador said that if he had additional resources, the first move would be to reestablish political reporting officers in the several consulates in the country. The Ambassador explained that by law the Foreign Service must carry out a number of consular functions and that with ever-tightening resources the political reporting function has been squeezed out. The Committee determined, however, that the CIA has sufficient resources to consider a major new clandestine collection program in that same country.[97]

And yet, despite the fact that "CIA, with its 'operational funds' and even the Military Attachés have a much greater degree of funding and flexibility . . . (and) there is no separate fund to facilitate overt collection of political and exonomic information," nevertheless, "the Department has been unwilling to press the Congress for more funding. . . . As a result, the largest, most important, and least risky source of political and economic intelligence for the United States Government is neglected in the Federal budget and severely underfunded." [98]

Like State's own Macomber Group, the Church Committee found not much efficiency, not much competitiveness, and not much initiative in the way State and the Foreign Service went about their business of being an élite service:

> . . . the Department itself seems to have made little effort to direct the Foreign Service collection effort in a systematic way. The Department itself levies no overall requirements. Most regional bureau Assistant Secretaries send periodic letters to field posts indicating subjects of priority interest and these letters are supplemented by "official-informal" communications from the Country Director (desk officer). In addition the Department participates in the development of inter-agency intelligence requirement lists, and those lists are transmitted to the embassies and consulates abroad. The Department believes that these procedures suffice, and does not favor the development of a more elaborate requirement mechanism for the Foreign Service.
>
> The Department has made no significant effort to train junior Foreign Service Officers in the techniques of political reporting. The record is somewhat better for economic reporting. A recent report of the Department's Inspector General concluded that the Department has generally been remiss in setting and maintaining professional standards through systematic training, assignment, and promotion policies.[99]

The cause of this, of course, lies in the earlier-noted conviction of Foreign Service Officers that they are diplomats first, reporters and commentators second, collectors of information last. Indeed this circumstance is institutionized in the way the State Department and Foreign Service are organized. One of the hippopotomi, the analyst Stanley E. Smigel, recorded this fact in 1958:

> In the Department, the principal collection arm, the Foreign Service, lies outside the intelligence organization. Instructions to the Foreign Service are

[97] *Book I* 316.
[98] *Ibid.*, 316*f.*
[99] *Ibid.*, 317.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

> drafted by the Intelligence Bureau, but, with small exception, these instructions must receive the approval and clearance of other bureaus before transmission. On the other hand, the approval of the Intelligence Bureau, again with small exception, is not required on instructions to the Foreign Service drafted by other bureaus. In contrast to the clear-cut reponsibility the service attaché has to his headquarters intelligence unit, the foreign service officer has responsibility to the Department as a whole and has indirect responsibility at best to the Intelligence Bureau.[100]

Mr. Halperin is a little more specific:

> Career Foreign Service officers view the regional bureaus of the State Department—those dealing with Europe, East Asia, the Near East and South Asia, Africa and Latin America—as the heart of the State Department operations. They believe that the Assistant Secretaries for these regions should be career officials and should have flexibility in managing relations with the relevant countries. They resist the growth of functional bureaus such as those dealing with economics and political-military affairs, in part because such bureaus tend to be dominated by civil servants or in-and-outers rather than by Foreign Service officers.[101]

And he goes on to make the significant point that the bureaucratic competitiveness that we have found lacking in the Department and Foreign Service toward other bureaus exists internally:

> To the extent that they differ over missions, career diplomatic officials contest the relative priority to be given to different geographic areas. Sub-groups within the department do not rally around particular kinds of missions, as in the case of the CIA, so much as they take sides over the relative attention to be given to improving relations with different parts of the world or, in the case of potential enemies, effectively opposing them. There is a West European group, Soviet group, an "Arabist" group, and groups concerned primarily with African and Latin American affairs. Internal controversy consists of disputes among these groups over particular policy issues.

A Paradox

Now we started this reconnaissance of the Foggy Bottom sector because we had been told that the main collectors of current political and economic information were the FSOs and that the main consumer was the Department. Having established that the gentlemen of the Foreign Service and the Department of State, who are the main collectors and consumers of current political and economic information, have a low regard for the "clandestine" product, we expected to be able to raise the question whether collection of all current information should not be left to the overt agencies. We expected to be able to say, as years ago we used to say among ourselves, "Let the FSOs do it; it's their job."

But what we discovered was a paradox:

— State's Foreign Service, militantly non-competitive, using slender resources and few people, produces the bulk of *used* current information as a rather

[100] "Some Views on the Theory and Practice of Intelligence Collection," *Studies in Intelligence II/2*, 40.

[101] *Op. cit.*, 38.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

casual and reluctant chore, secondary in importance and inferior in prestige to its primary task of Representing the Nation Abroad.

— CIA's Clandestine Service, militantly competitive, expending comparatively vast wealth, employing the Guild's vast mechanism of safe houses, disguised modes of transport, cross-connecting switchboards, instantaneous multi-channel radio, locally suborned police and military support, produces a very modest amount of little-used, basically overt information with great enthusiasm.

Sometimes, to be sure, the flow from the DDO offices abroad is more than a trickle, and in fairness it should be recorded that not all the analysts of State scorn such reporting. In June 1976, for example, we had occasion to interview candidly and informally a member of State's Bureau of Intelligence and Research who had been spending a proportion of his time on the political situation in [ ] and whose anonymity we here protect. Asked whether INR could dispense with the reporting from the Clandestine Service, he said emphatically that if it had not been for the reporting from the Service's station [ ] in the first four months of 1976, the U.S. Government would not have known what was going on during that period in that place, which was of tender concern to our diplomatic, military, and intelligence establishment. Asked whether the Political Section of the [ ] Embassy could not have produced adequate information if tasked, he said that the present configuration of that Embassy is such that all current political information is produced by the Clandestine Service Station. Asked whether, as Ambassador Yost had suggested, the Embassy could be staffed with FSOs to do the job and could then perform without using clandestine or semi-clandestine methods, he said he presumed so, although he did not possess operational information on the Station's sources and could not judge which might be true penetrations and which merely friendly contacts.

25X1

25X1

25X1

Following this conversation up informally, we then talked with fellow officers of the Service who are familiar with the operational details as well as the production of [ ] political sources during the period of concern. Without conducting a statistical analysis of all reporting (some 300 to 400 reports) in combination with a detailed review of the personal dossiers and operational files of the sources, we can give only an estimate of the degree of clandestinity employed in that particular exercise in current intelligence collection. That estimate is that perhaps one percent of the reports disseminated came from agents who:

25X1

— were really agents, i.e., who deliberately and secretly broke [ ] law to provide information, and

25X1

— had unique access, not duplicable by a non-clandestine agent.

Now some of this information came from liaison. And the history of our Service, from its first feeble squirming in the arms of its old British aunt, has been dominated in many ways by liaison. Indeed, we have created whole national services, internal and external, from one end of the world to the other, trained them, vetted them, funded them, in order to be able to conduct liaison in their countries, and to get them to do work that we, though expending vast sums in training and subsidy of operations, thought we were too small or too poor to handle ourselves.

The Sun Never Sets On Liaison

25X1

[ ] in nearly every capital that is friendly host to an American Embassy, and in some that are not so friendly, the

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Stations of the Operations Directorate spend a little or a lot or sometimes all of their effort consulting and consorting with officials ("counterparts") of the intelligence, security, and police organizations ("host services") of the local government, and often with the intelligence services of other foreign governments who have stations in the same countries. The result of this activity is a volume of dispatches and cables to CIA Headquarters, often repeated laterally to other stations and so-called field customers, that comprises a very large proportion of all information arriving there. Most of this material is classified SECRET, since the arrangements for exchange between our Service and the foreigners require the protection by each party of the other fellow's sources, and most of it is captioned NOT RELEASABLE TO FOREIGN NATIONALS ("NOFORN") in order to avoid duplication and false confirmation in the complex of exchange relationships that spreads like a Vietnamese extended family around the globe, as well as to let each service choose its own friends.

Our critical competitors in the Foreign Service, aware of our penchant for liaison, usually approve of it. Thus, John Franklin Campbell, who left the Foreign Service after nine years and has devoted some effort to recording his best thoughts on reform, recommends:

> . . . development, by State and CIA, of more specific and limited guidelines regarding the functions of intelligence officers in the field; it should be the *presumption*—unless a specific exception is granted for a particular country—that Foreign Service embassy officers handle traditional diplomatic reporting on the internal politics and economics of the country to which they are assigned, while CIA staff cover specific security-related targets and do so, wherever possible, *in overt, cooperative liaison with the host country security services.*[102]

In terms of local, current, political information, this point of view is understandable. Despite many patient explanations by espionage officers to diplomats at home and abroad, no Foreign Service Officer ever seems to grasp the possibility that an intelligence service working in France might be more concerned with operations against Germany, Vietnam, or the Soviet Union than with information on France itself. State lumps the Soviet Union and its East European protectorates together into one of five geographical Bureaus (Africa, East Asia/Pacific, Latin America, Near East/South Asia, and Europe). The USSR is one of nine offices in the Bureau for Europe, while in the Bureau of Intelligence and Research there are five geographical areas, one of which is called "Office of Research and Analysis for Europe and the Soviet Union." State organizes its desk structure in terms of its Foreign Service *representations* in specific areas abroad,[103] whereas CIA's Clandestine Service organizes its desk structure in terms of global intelligence *targets*. The Clandestine Service therefore has a major Area Division (roughly analogous to one of State's Regional Bureaus) called "Soviet and East European," which gives operational direction to virtually every station, though its own stations behind the Curtain are tiny compared with those in less denied areas. The principle influences operations throughout desk and station structure of the Service: the element called "China Operations," less than a Division, more than a Branch, gives direction to [redacted] [redacted] and other stations as well as to [redacted] If there is an [redacted] Embassy in [redacted] the Station in [redacted] is not bewildered to receive operational direction originating on the [redacted] desk. In

25X1 25X1 25X1 25X1 25X1 25X1

[102] *The Foreign Affairs Fudge Factory* (New York and London 1971), 162. (Emphasis added.)

[103] V. Department of State, *Telephone Directory Autumn 1975*.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

25X1

fact, if the chap in [ ] happens to believe in strategic espionage, he may welcome an opportunity to mount or assist an operation against a target far removed from the current events [ ] especially if it involves unilateral clandestine effort and not just negotiation with local liaison counterparts.

25X1

A separate essay could be written on the psychology of liaison and its effects on clandestinity. Quarrels have occurred, sometimes developing into locally famous feuds, between espionage operators who favored use of liaison relationships primarily to develop controlled penetrations of host services and those who used liaison to acquire maximum production and refrained from any insidious or secret act that might, if detected, impair the atmosphere of mutual affection, respect, or dependence that counterparts on both sides always profess. Famous flaps, like the compromise a decade and a half ago of an attempted false-flag penetration by our Service of the [ ] or, the eventually detected, but initially successful, penetration of [ ] are used as evidence to bolster arguments on both sides of this controversy.

25X1
25X1

The controversy, of course, is a manifestation of the larger problem we have been discussing in this paper, the effect of anti-clandestine, or semi-clandestine or non-clandestine collection for production in volume on the ability of the Clandestine Service to conduct espionage for strategic coverage. In these terms, much liaison activity, despite the secret agreements that underlie it, is a form of journalism. The situation in [ ] is a pertinent example, for much of the production in that situation that our friend in State/INR liked so much was from present or former [ ] liaison counterparts of our officers in [ ] whom these officers simply interviewed on an overt basis.

25X1
25X1
25X1

And so in one case, at least, we have the DDO's essentially overt political *information* being valued and appreciated by a non-CIA producer of political *intelligence*. In this case, according to the explicit opinion of the consumer in INR, the reporting function of the diplomats had been deliberately and organizationally neglected by the State Department command structure in favor of exploiting the local capacity of the Clandestine Service to produce volume at a cost charged to other than the Department's budget.

Let us take another case. Perhaps the greatest volume of political information ever transmitted from a foreign post was that to which our John Smith wanted so ambitiously to contribute, namely what was sent from the DDO's station in Saigon before that city had its name forcibly changed to honor a terrorist saint. Curious to learn the real value of this material to the analysts at home, we used the occasion of a seminar to solicit the opinion of several old hands in the analytic, estimative, and spy trades, including that of an OCI analyst who had worked with the material at home and was familiar with the collection mechanism in Saigon from numerous visits. (Although he did not request it, we afford him anonymity here.) He believed that "in most instances, the DDO product from Vietnam added little to what we already knew," and went on to generalize:

> From my standpoint, this question is being asked of the Agency: How much do we *need* in terms of a clandestine mechanism to provide us with any kind of intelligence to meet the needs of the U.S.?[104]

[104] Seminar 22 October 1975, Center for the Study of Intelligence. Notes taken by Nancy Ocque.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Combined, the views of our CIA/OCI analyst and our State/INR analyst put the semi-clandestine reporting of the Clandestine Service in a strange light. A State producer likes the raw material from our station in [ ] because he is not getting enough from the Embassy, while a CIA man finds the stuff from the Saigon Station (that on the changing or unchanging political situation in South Vietnam; he did not see the material from VC penetration) irrelevant and prolix. To be sure, other analysts probably found the reporting on the political situation in Vietnam more useful. Nonetheless, there does not appear to be any general endorsement of its value in producing current intelligence. Certainly, there is no justification for continuance of the semi-clandestine task by the Service, but the general problem of requirements and feedback is raised. We must examine this in relation both to current intelligence and to strategic espionage.

25X1

Current Requirements & Current Feedback

The necessity for a close relationship between the analyst and the collector of current information is seldom argued. That a continuous dialogue is necessary, for example, between the Foreign News Editor of the *New York Times* and his foreign correspondent goes without saying, for how else is the reporter overseas to know what the paper wants to print at any moment, or what slant he should give to his stories? That continuous dialogue is desirable between Order of Battle analysts at Arlington Hall and Defense Attachés doing reconnaissance and observation in, say, Poland also goes without saying, for this kind of current collection requires continuous reference to maps and running lists and continuous posting of discrete items from the field. That intercourse should occur between the analysts in State and the Political Officers in embassies brooks no argument, for the trick at both ends of the line is to be as well informed in as rapid a manner as possible, and this is helped by a lot of discussion back and forth and sideways. In other words, communication between producer and collector of current information from labile sources is to be encouraged by such devices as the Human Resources Committee's (HRC) Current Intelligence Reporting List (CIRL), which is addressed to "country teams." [105] Its explicit purposes are to:

— provide collectors with a community-approved selective list of important issue or event-oriented questions believed to be answerable by human sources.

— provide the post with a tool that could assist in the development of coordinated collection or reporting; and

— increase the dialogue and understanding between collector and analysts (or users) through demonstrated responsiveness to previous reporting and indications of reporting efforts which would be most useful.

In his Letter of Instruction to the HRC, DCI Colby commanded that:

> Our national human resource objectives should emphasize maximum development of overt information-gathering capabilities. Clandestine and technical resources should be applied only when the required information is of considerable importance and is not obtainable by improved overt collection.[106]

[105] See, for example, USIB, HRC, *Current Intelligence Reporting List, Southeast Asia and Pacific* (CIRL-SEA/PL-76) Feb-Jun 1976 (SECRET).

[106] DCI, "Letter of Instruction to Acting Chairman, USIB Human Resources Committee," Attachment. USIB-D-80, 2/3, 13 November 1975 (SECRET).

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

The LOI also enjoins the Committee to:

> Seek ways to further improve informal, but controlled, substantive dialogue between community production analysts and field collectors.

I leave it to others to seek examples of "informal but controlled substantive dialogue" while recalling an address in the Dome, possibly in early 1973, by the newly appointed Deputy Director of Operations in which Mr. Colby applied the term "journalism" to a trend which he foresaw and approved in his newly renamed Directorate. I should be lax in my development of the argument of this paper if I did not point out that the distinction between the obvious necessity for intercourse between analysts and overt collectors of information and the requirements process necessary to strategic intelligence or espionage is one that former Director Colby did not emphasize.

Although present writing is not yet far enough removed from Mr. Colby's directorship to afford historical objectivity, it is clear that he was adhering to the precepts of his original predecessor, General Donovan, in promoting the Service as the Government's best competitor with the *New York Times* as well as the outfit that could do whatever odd, non-intelligence chores needed doing to implement policy around the world. Those of us who insist on the distinction between the Clandestine Service and the "intelligence service" nevertheless, nay consequently, take small comfort from his assertion in early 1976 that "although the costs of the past year were high, . . . they will be exceeded by the value of this strengthening of what was already the best intelligence service in the world." [107] The distinction upon which we insist requires distinguishing ruthlessly between strategic espionage and the "journalism" that Bill Colby espoused while still Chief of the Clandestine Service.

Strategic R & FB

In 1948, when one of the wisest of the elephants wrote the first book on *Strategic Intelligence for American World Policy,* intelligence had not yet become a major industry. Dr. Kent's precepts on the problem of requirements and feedback may, by the spareness of their language, sound naive to present ears:

> . . . Now if the man on the other end of the wire has formerly been a worker in the home office, if he has a feel for home office functioning and personally knows the home staff, and if he is on his toes, he will do it with efficient good grace. He will grasp the instructions (which can be given in office shorthand) and will act pretty much as an overseas projection of the home staff. But if he has not served in the home office, and instead has gone to his foreign post improperly briefed on home problems, then there may be difficulties.[108]

[107] William Egan Colby, "After Investigating U.S. Intelligence," *New York Times*, February 26, 1976.

[108] Kent, *op. cit.*, 165. Not actually the first book, but the first in the U.S. Historians may consult Maximilian Ronge, *Kriegs-und Industriespionage* (Vienna 1925) by the Chief of the Austrian Imperial Military Intelligence through World War I. This work, having been banned and destroyed by the Germans after the Anschluss of 1938, is rare. General Ronge, the officer who detected, confronted, and succeeded Redl, was a pioneering genius of the arts of espionage, counterespionage and estimative intelligence. Until his death in 1954, at the age of 92, he was also a great trainer of young men.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

But though the language now seems archaicly pure on comparison with the jargon that is used today to describe problems of requirements and feedback,[109] the essence of the problem, the barrier of communication between estimator and collector, has not been changed by the growth of the industry.

The essence has not changed, but the shape of the problem has changed. Kent could write almost 30 years ago that:

> there are some cases on record where clandestine intelligence has exploited a difficult and less remunerative source while it has neglected to exploit an easy and more remunerative one. . . .[110]

But if the case of John Smith, sketched earlier, and the case of Leo Cherne's anonymous informant in Europe are typical outside of our Curtain stations, the present tendency would appear to be the reverse of that deplored by Dr. Kent in 1948; the tendency now is for case officers to exploit easy sources in preference to hard ones because they are rewarded for volume, not quality, for production, not coverage, for journalism, not espionage. And this despite a DCI Directive to USIB/HRC, which says:

> . . . We need, particularly, gains in the interrelationships between *overt and clandestine* and technical and human sources. We must establish *more direct links* between our human collectors and our technical collectors.[111]

A glance at any one of a hundred charts of the so-called intelligence cycle that are prepared for briefing, training, and study by committees and task forces set up to reorganize the government will provide a typical picture of the present maze of "interrelationships," including those between "overt and clandestine and technical and human sources." If we restrict our present glancings to the cycle of collection of current information and production of current intelligence, we find that on the diplomatic side the producers in INR and the Regional Bureaus are also consumers, not only from the Foreign Service but also from CIA's Clandestine Service, which disseminates directly via Distribution B of *Foreign Intelligence Reports* (FIRDB) and from CIA's OCI. OCI itself, a producer, consumes the Foreign Service reporting directly, the production of the State Bureaus, and the Clandestine Service reporting. But among its suppliers, only with the Clandestine Service does OCI have direct two-way communication.

In view of this relationship, which OCI views as a family affair, it is not astonishing that when OCI is dissatisfied with DDO collection of current information,

---

[109] Cf. George Bush, "Guiding Principles of the Intelligence Community," (Memorandum NFIB-D22.1/49 to the National Foreign Intelligence Board Principals, 13 May 1976, UNCLASSIFIED): "Continuing attention will be given to improving the interface between national and tactical intelligence capabilities, seeking to capitalize on the potentiality of inputs to national intelligence needs from tactical resources in peacetime and the capabilities of national resources to provide intelligence of import to both peacetime force readiness and wartime operations."

[110] *Op. cit.*, 168.

[111] DCI, *Perspectives for Intelligence 1976-1981*, USIB/IRAC-D-22.1/44 (October 1975, SECRET NOFORN). See below footnote 117.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

it seeks to alter the relationship rather than to abolish it. The Director of OCI recently conjectured a bit on the future and offered the possibility that:

> Congress will generate directives placing much more emphasis on analytical capabilities than has been true in the past, . . . (OCI) will be required to have more analytic experience physically located in the field, either PCS or TDY. Further, assuming reduced personnel ceiling, it is evident that we will need multidisciplinary, i.e., ops/analysis cadres located in our overseas stations. The logical conclusion of this is that in tomorrow's world, the clandestine collection function will be of less importance than the analysis function . . . Without doubt, relative priorities to be established in the future will stress collection of political and economic intelligence, often overt in nature. . . .[112]

By thus placing the analysts at points in or just above the mine shafts, OCI would acquire even better control of the company's own ore. MR. Parmenter added that what he had said:

> . . . does not mean that there will not be a continued critical need for clandestine (sic) collection, especially in those areas which impact on American multinational corporations. . . .

and drew a further conclusion:

> The above clearly points out the fact that there will have to be much more cross-training of DDI and DDO officers as there will be situations where knowledge of both operations and analysis will be a critical factor.

"Cross-training," "multi-disciplinary cadres in overseas stations," "relative priorities stressing collection of political and economic intelligence, often overt in nature." Well, before we get back to talking about espionage and strategic intelligence, we can note one point that stands out clearly: between collectors of *current* information and producers of *current* intelligence there has to be a symbiotic if not syngenetic relationship. But it hardly needs to be reiterated that such a relationship fosters *current* production, not strategic coverage. It therefore fosters collection of information, as Mr. Parmenter has it, that is often overt in nature. Far more often overt than clandestine.

For Sherman Kent in 1948 there was a problem in the production of *strategic* intelligence caused by a barrier that, as we have seen, now has been largely demolished—that barrier caused by the natural laws of clandestinity that are sometimes labeled "operational security":

> . . . the major methodological problem of the collection stage of the intelligence process . . . begins with the segregation of the clandestine force. This segregation is dictated by the need for secrecy. An absolute minimum of people must know anything about the operation, and the greatest amount of caution and dissimulation must attend its every move. But unless this clandestine force watches sharply, it can become its own worst enemy. For if

[112] William Parmenter, quoted in Notes of Interview by Fellows of the Center for the Study of Intelligence, 17 December 1975.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

it allows the mechanisms of security to cut it off from some of the most significant links of guidance, it destroys its own reason for existence.[113]

Obviously, for Dr. Kent as for us, the producer of strategic intelligence must enjoy a relationship with the collector of the information that is the raw material of strategic intelligence, and the collector, to work rationally and efficiently, must receive guidance from the producer. But symbiosis, let alone syngenesis, is not required. Despite those charts of the intelligence cycle that are presented by the foot, yard, and mile whenever the subject of requirements and feedback is raised, the problem can be formulated in a series of four simple questions, two for the espionage case officer and two for the analyst.

The Simple Questions

— For the espionage case officer:

1. How can I know where and when to mount an operation?
2. How can I know how to manipulate my operation to satisfy a given requirement?

— For the analyst:

1. How can I know the relevance of an espionage report?
2. How can I best communicate my requirements to the espionage case officer?

These questions seem ingenuous in the context of the papers and charts on the intelligence cycle that we noted above, but if we concentrate on strategic intelligence and the task of espionage for strategic intelligence, including that occasional and unusual item of espionage that is both strategic and current, the only question of significance is the first. The other three are mechanical; their answers depend on devices of communication that can be contrived and modified once an operation has been installed. For the reader whom we have categorized as elephant, that is, the officer whose experience has lain with processing the information rather than with manipulating the human beings who steal it, this answer may seem insufficient. But it is not within the scope of this paper to recapitulate all of OTR's courses in clandestine tradecraft, much less the on-job training still given by operations officers in our stations. The gorillas among the readers of this paper, however much they may have been beguiled, like Leo Cherne's informant in Europe, into competition with the Foreign Service and with the journalists, will require no examples.

Let us now summarize the argument of this paper in a series of propositions and a series of conclusions in order to speculate on what would happen if the conclusions were somehow translated into organizational and procedural changes:

Propositions

1. Current information, whether political, economic, or military, and whether related to an immediate crisis or a continuing situation of routine concern, is a perishable, high-volume commodity. It must be collected and processed into finished intelligence continuously and rapidly to satisfy a continuously changing consumer demand.

[113] *Op. cit.*, 166*f.*

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

2. Strategic information (the material produced by strategic espionage), whether political, economic, military, scientific, or "counter"-intelligence, is far less perishable. Its collection, by clandestine or technical means, must serve a processing function comprising basically collation and research.

3. The task of a Clandestine Service is espionage (and "counter"-espionage). It employs secret agents to perform acts that break foreign laws.

4. Secret agents with illegal functions require time, careful planning, and ingenuity to install and maintain. Espionage is therefore suited to the collection of strategic information and unsuited to collection of current information.

5. The overt agencies are suited to collection of current information. These are the Foreign Service, the Defense Attachés, the overseas representatives of Treasury, Commerce, Agriculture, USIA, USAID, and the commercial journalists.

6. Management, whether "by Objective" or otherwise, includes reward for performance. The objectives of current collection differ radically from those of strategic collection. Specifically the one rewards volume and speed, the other prescient, long-term coverage. Therefore, the two kinds of collection cannot both be effectively managed within the same organization.

Conclusions

A. There should be a requirement-feedback mechanism between the Clandestine Service and the producers of finished *strategic* intelligence, especially those of CIA's own Intelligence Directorate, which produce other than current reporting.

B. There should be *no* requirement-feedback mechanism between the Clandestine Service and the producers of current intelligence, including such policy-level consumers as the Regional Bureaus and senior officials of the Department of State and their counterparts in the staffs of the National Security Council, and including OCI.

C. There should be a requirement-feedback mechanism between the *overt* agencies (named above) and the producers of *current* intelligence, including policy level consumers such as the Regional Bureaus and senior officials of the Department of State, and of course, OCI.

What Would Happen?

There is an apparently ineluctable drift of affairs that bears the Agency along with other organizations of government in a determined direction. The Agency drifts ineluctably because it is an organization of government, and the Clandestine Service is steadily altered, bent out of its original shape, and bent away from its earlier direction because it is part of the Agency. What would happen if this drift could be arrested, if the conclusions set forth above could somehow be translated into organizational and procedural realities? What would happen:

— to current intelligence?

— to strategic intelligence?

— to related endeavors such as diplomacy, covert political action, and military combat?

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

What would happen to current intelligence if we of the Clandestine Service emulated the Foreign Service of the Department of State in a different kind of élitism, asserting that we are not the omniversatile sergeants of the government, but specialists, élite because elected to a high calling? What if we merely provide, as best we can contrive and as best we can plan, selective, long-range, judiciously anticipated, laboriously installed *coverage* of targets through penetration by controlled, secret agents? And what if we refuse to compete in the collection of any kind of information that could be collected by other means?

One of the things that would happen is that the Clandestine Service would become again primarily a *consumer* of current intelligence. The Service would be serviced by the analysts, whose support would assist the Service in installing the kind of secret human machinery that would produce stolen information of real use in keeping that intelligence cycle a-spinning throughout the community.

Another thing that might happen (and this would require translation of our conclusions into organizational and procedural change at the Department of State) is that the Foreign Service could expand its reporting and expand its overseas complement, to supply the market. Indeed, for several years there has been a movement within the diplomatic corps to increase and redirect Foreign Service reporting, a movement based on the realization that the market has long been saturated. The so-called Prince Study, completed for the Murphy Commission in March 1975, makes a number of recommendations for redirection of reporting toward greater analytical content, changing of analytical and editorial procedures, and training of FSOs.[114] In 1973 a Secretary of State had written:

> Over the last four years I have been struck . . . by the sheer volume of information which flows into the State Department, contrasted with the paucity of good analytic material. . . . Mere reportage of events which have already taken place and about which in many cases we can do little is not sufficient. For that reporting to be useful to me, I require not only information on what is happening, but your most thoughtful and careful analysis of why it is happening, what it means for U.S. policy, and the directions in which you see events going.[115]

And on 16 June 1976 he made a similar point to a group of CIA officers in the Dome:

> Kissinger's central substantive point was that the government's greatest intelligence need is in the area of predicting, discussing, and ruminating about future developments, rather than current developments. Fifty percent of foreign policy problems will usually cure themselves. This 50 percent is usually included in current reporting, along with other, more meaty issues. The government, in general, is usually working on the wrong 50 percent of the problems.
>
> Still, State must by necessity concentrate on immediate day-to-day problems. The Agency must help by telling State what it should be looking

---

[114] William D. Coplin, Michael K. O'Leary, Robert F. Rich, *et al.*, "Toward Improvement of Foreign Service Field Reporting," *Appendix E. Murphy Commission Report*, prepared by Prince Analysis, Inc., under contract to the Commission.

[115] Henry A. Kissinger, "Reporting from the Field," (Departmental Notice), U.S. Department of State, November 7, 1973.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

for in the future "even five-ten years" out. Will Europe be unified? What will Chinese policy do? What can the U.S. realistically achieve in various areas of the world in a defined period? [116]

In fact, this movement has lately been operating throughout the community, as can be inferred from such planning documents as the Director's *Perspectives*. The one put out by USIB over Mr. Colby's signature in October, 1975, says:

> Human-source collection capabilities will remain an important part of the collection process. Mechanisms are being devised at the national intelligence level, as well as the diplomatic mission level abroad, to improve the management, coordination, and exploitation of human-source capabilities. This trend must be pursued energetically. There is considerable potential for improved reporting from overt personnel of both intelligence and non-intelligence agencies abroad. Contributions of such agencies as State, Defense, Treasury, USAID, USIA, Agriculture, and Commerce can be enhanced substantially by more effective approaches to information gathering and in the reporting aspects of their activities.[117]

If the overt reporting of all the overt agencies, and of the overt elements of CIA such as FBIS and the Domestic Collection Division, is to evolve into greater "effectiveness," the withdrawal of the Clandestine Service from competition will probably accelerate the evolution.

Something else that would happen inevitably and beneficially would be the provision of occasional but critical current information from a well-placed agent whose access to it would be all his own. Sometimes it occurs now, as we saw at the time of the [redacted] war, that an agent with unique access to critical information provides a report that goes swiftly to OCI and to the decision makers, but so great is the present volume of soft-target reporting from the Service that such reports are likely to be disregarded or rejected because the analyst cannot distinguish the significant clandestine item. In the [redacted] War [redacted] an agent report gave accurate warning of the impending [redacted] offensive, but was disregarded by the analysts,[118] and therefore by the decision makers.

25X1

25X1

25X1

25X1

And what would happen to the Office of Current Intelligence itself? Well, it would lose control of a small percentage of the raw material it processes into its daily, weekly and occasional products, namely that raw material that comes from the Company's own mine. But there is no reason it could not establish some supervisorship over the other rich mines abroad. The precedent of the mis-named "Strategic Divisions," those Intelligence Directorate representations of long ago at overseas posts, exists, though one has heard the complaint that those offices were coopted by Chiefs of Station for purposes not directly serving OCI's interests. Then let them be reestablished and given status where they belong, in the Foreign Service's Political Sections. Let OCI, which uses overtly collected, field-evaluated information, the bulk from the Foreign Service, strike a bargain with the Department, undermanned and underfunded as it is. And let these OCI units abroad be independent of the Clandestine Service, which in turn will be independent of them.

[116] Remarks at CIA on 15 June 1976 (from unofficial notes).

[117] DCI, Perspectives 1976-1981. See also footnote 111 above.

[118] From an official, reliable, tested, well-placed source with proven access to the information.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Let there be the same relationship between whatever forces OCI can deploy abroad and the DDO stations as there is between those stations and the intercept units of the Foreign Broadcast Information Service, friendly but correct, above all non-competitive.

Finally, what would happen to our case officers abroad who have been producing current information by non-clandestine, if sometimes discreet, interview of liaison counterparts, politicians, friendly business men, American expatriates, etc.? They would simply suddenly find themselves in a world where the objectives by which they were managed were defined in terms of the sensitivity, potential value, and present worth of agents recruited to spend a lifetime stealing information or performing illegal tasks in support of a program of such theft. Not in terms of the number of length of reports submitted from the largest possible number of encrypted contacts. Morale would rise. Professionalism would improve. We would again be doing strategic espionage.

Could Management Cope?

If for a while we are to use the paraphernalia of MBO, the Objectives that we assign for quantitative evaluation against performance will have to be described in terms of coverage rather than production. This should pose no great problem since many, especially in the Soviet Bloc target area, are already so described (Recruit two members of the Soviet Trade Mission and one KGB officer in coming Fiscal Year; induce defection of Polish, Hungarian, Czech Chief of Mission, or GRU *Rezident* if he has studied in Frunze Military Academy, etc., etc.). These are bureaucratic formulae, no more or less useful than others of their ilk. The point is that management, of which our Service has no perceptible shortage, can enlist whatever devices are needed to do research, to conduct futurology, to codify operational intelligence, in short to *plan* strategic coverage. If the objective—where and when to mount an operation—is defined by a planning process, management, that most available of all resources, can devise the tactics of communication between the producers of strategic intelligence and the collectors of strategic information.

Another result of the change here envisaged would be the revival of that branch of espionage called counterespionage.[119] Oddly (for it seems odd in these days of assault from press and the legislature) many of our critics grasp the central value and significance of counterespionage. Herbert Scoville, Jr., for example, is one of those former officials of the evaluative side of the Agency, in this case of the Scientific and Technical Directorate, who has turned his concern for the Agency's present plight into articulate prose. In the title of a recent article he asks, "Is Espionage Necessary for our Security?". On balance, he answers his own question negatively, but he gives special place to counterespionage, which for him is those "covert human operations abroad" which are a sub-category of counterintelligence. After assessing espionage—"recruiting agents in foreign nations, encouraging the defection of knowledgeable individuals, audiosurveillance, and other techniques,"[120] he finds it largely

---

[119] Nomenclature used here is that attributed to OSO before the merger. "That branch of espionage of which the target is an alien organization which uses conspiratorial methods, etc."

[120] *Foreign Affairs, LIV* 3 (April 1976), 483. Dr. Scoville headed the Directorate of Scientific Intelligence from 1955 to 1961 and was Assistant Director for Research until 1963, when he went to the Arms Control and Disarmament Agency for six years as Assistant Director. There his preoccupation was with Nuclear Weapons and Advanced Technology (one of the Agency's Bureaus) and with intelligence support to the Strategic Arms Limitation Talks (SALT). Thus his experience has been in exploiting information from all sources rather than with collection from clandestine sources.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

inadequate, though sometimes potentially valuable, for military development and deployment, military intentions, and political affairs, except in some Third World situations. He finds it inappropriate for economic matters and for political affairs in sophisticated areas. "In sum, espionage would appear to have limited but nevertheless critical potential as a source of intelligence information."[121] On the other hand,

> Counterintelligence is very different, very arcane, but nevertheless very important. Not only must we continue to detect and counter the continuing very extensive operations of the KGB, the Soviet secret intelligence organization, but we must also now deal with the new and rapidly growing threats from terrorism by unstable individuals and dissident groups. . . . There can be little doubt that covert human operations abroad—all that goes into counterespionage—remain a vital technique . . . in the world of today . . . it is hard to avoid the conclusion that effective counterintelligence, in turn largely covert, is essential to our true security—indeed that it may in itself justify the continuance of a major covert foreign intelligence organization in some form.[122]

Dr. Scoville's mention of the KGB reminds us that the foremost practitioners of strategic coverage are the clandestine services of the Soviet Union. Few present-day commentators remember, or ever knew, that during the period of the USSR's greatest crisis, when the armies were struggling in Stalingrad and Leningrad to halt the German invasion, illegal agents under false Spanish identities were being dispatched from Moscow via China to Mexico, and the *rezidentura* in Mexico City was conducting strategic espionage in the United States. The battles on the steppes ended while the Soviet espionage service was stealing the secret of the uranium bomb from the Manhattan Project. That was coverage, unmodified by Crisis Management.

But to think with Dr. Scoville that counterintelligence is "different" and "arcane" is to make a mistake that should be left to persons outside the Service to make. For us, remembering our nomenclature, counterespionage should simply be part of our regular work.

Beg, Borrow, Buy? No, Steal

It takes, however, very little exegesis to achieve the perception that what Dr. Scoville is advocating is clandestinity, that what he is asserting is that the only intelligence of value produced by "covert" means is that which is produced by *clandestine* means. Or to revert to earlier language, that the job of our Service is not to beg, borrow, or buy information, but to steal secrets. It is heartening to note that the Senate Select Committee, which devoted enormous effort, talent, and expense to examining the Service because of acts and events largely peripheral to the Service's main work, grasped the essence of clandestinity and the intrinsic connection between clandestinity and the specialized form of espionage that is called by the Committee counterintelligence, and by us counterespionage:

> . . . a discipline of great importance, for the rock-bottom obligation of an intelligence service is to defend the country; meeting this obligation is the

[121] *Ibid.*, 495.

[122] *Ibid.*, 493*ff.* Dr. Scoville does not neglect to point out that "the defectors and agents that have produced the best positive intelligence in many areas have also come from foreign intelligence services—for example, Penkovsky."

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

very *raison d'être* of counterintelligence. The discipline also represents the most secret of secret intelligence activities—the heart of the onion.[123]

The author of this eloquent passage obviously has his heart, if not his onion, in the right place, and we are pleased that his evident ignorance of the origin of his metaphor lets us reinforce his point. The origin: Henrik Ibsen, *Peer Gynt*, Act V, Scene 5.

> (Peer is peeling the onion.) There's a most surprising lot of layers! Are we never coming to the kernel? (Pulls all that is left to pieces.) There is not one! To the innermost bit it is nothing but layers, smaller and smaller. Nature's a joker! (Throws the bits away from him.)

The heart of the onion, the essence of clandestinity, has no existence of its own. It is the principle of onionhood, layers of clandestinity to the innermost bit, where the layers end. It is not only "a discipline of great importance"; it is the essential discipline.

Finally, what would happen to the diplomats, the soldiers, the propagandists, the guerrilla fighters, the influence applicators? As for the Foreign Service, it might find a union with our Office of Current Intelligence beneficial. Since the average FSO spends about 60 percent of his time writing reports, though he thinks of this chore as a kind of sideline, he might welcome some professional help from the overt shop in CIA. The Bureau of Intelligence and Research, manned now largely by FSOs who ache to get into a more representational job, might find helpful an alliance with professional producers, professional requirments people, professional analysts. The decision makers, or policy makers, or contributors to policy in the Regional Bureaus might benefit from having an unabashed analytical element down the hall, ready to accept responsibility for judgments made and estimates recorded. The soldiers, who sometimes alone among us keep their mind on the Soviet nuclear submarines, the ICBMs, and perhaps on other unmentionable weapons that may destroy us in the time it takes you to read a line on this page—these professional and utterly essential guardians might feel more assured that somebody was putting all his effort, undistracted and not greedy for recognition, on Soviet *intentions*.

As for the political action people, the media planters and the grey radio broadcasters, and the corrupters of venal politicians, let them make their accommodation wherever it suits. Their work is not clandestine, and their relation to conductors of espionage is not important. Let the Security Council find a place for them somewhere removed from the conduct of espionage.

---

[123] *Book I*, 171.

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

INTELLIGENCE IN RECENT PUBLIC LITERATURE

A MAN CALLED INTREPID: THE SECRET WAR. By *William Stevenson.* (Harcourt Brace Jovanovich, New York, 1976.)

Ballyhooed from the start—50,000 first printing, $35,000 major national advertising campaign, a book club selection, plugged by the publishing journals, and reviewed in the important places—*A Man Called INTREPID* made the best seller list for four months, is reportedly headed for TV serialization, and who can doubt a movie is contemplated? INTREPID's story, much discussed for over a year, has been a publishing success. But deservedly so?

The question pertains not so much to the basic story itself as to this version, for this is a twice-told tale. The original telling was done in 1962 by the practised biographer H. Montgomery Hyde in *The Quiet Canadian*, or *Room 3603* in its American edition. Therein were revealed the World War II intelligence exploits in the Western Hemisphere of Britain's "man" in New York and Washington, William (now Sir William) S. Stephenson, "the quiet Canadian" or INTREPID, the wartime codename by which he now is better known. That revelation, especially of Stephenson's highlevel dealings with Franklin D. Roosevelt, J. Edgar Hoover, and William J. Donovan, was startling, but it was credibly and competently done. Stephenson was, and is—in retirement in Bermuda—an impressive figure.

In the second telling, however, done by the unrelated but homonymously-named William Stevenson—henceforward known here as the Author—INTREPID makes "the quiet Canadian" look like a piker. No longer simply a successful industrialist turned intelligence operative because of the necessities of World War II, Stephenson now turns out—we are told—to have been, since the end of World War I, first a recruit and then a central figure in a shadowy intelligence network operating at the highest levels of British government and society. No longer simply operating in the Americas under cover as Director of British Security Coordination (BSC), Stephenson now turns out—again, we are told—to have held in his two hands all the strands controlling all British intelligence around the world. No longer merely the personal representative in the U.S. of Prime Minister Winston Churchill, Stephenson now turns out—we are told—initially to have been operating here behind the back of Prime Minister Neville Chamberlain and in cahoots with King George VI and First Lord of the Admiralty Churchill (both consciously risking losing their heads at Traitor's Gate) as case officer for President Roosevelt (consciously risking impeachment). Breathtaking, to say the least.

Sufficiently so that American reviewers in the popular media have been swept off their feet. They—for instance, Lance Gay in the *Washington Star*, ex-CIA man Harry Rositzke in the *Washington Post* and Edmund Fuller in the *Wall Street Journal*—are believers all and even impressed by the book's details and precise documentation. A little skeptical, however, was *Newsweek*, which saw fit to salt its lines with such qualifiers as "according to this book" and "the book proposes."

By contrast, British reviewers, perhaps because they knew whereof they wrote, attacked the book contemptuously and savagely. Leading the pack was H. R. Trevor-Roper who, in the *New York Review of Books*, said "the poor creature [the Author] lacks the rudimentary organs for understanding the organization of British

MORI/HRP PAGES 71-73

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
UNCLASSIFIED

intelligence" and described the book as "from start to finish, utterly worthless." This denunciation was clearly, and only slightly less cruelly, underwritten by A. J. P. Taylor in the *New Statesman*, David Hunt in the *Times Literary Supplement*, E. C. Hodgkin in the *Times*, and by the *Economist's* unnamed reviewer—all of whom backed up their denunciations of inaccuracies, distortion, exaggeration, and perversion of facts with bills of particulars. Of these, perhaps the single most telling one, was David Hunt's puncturing of one of the book's most highly publicized photographs, that of Churchill and a silhouetted figure standing amid the bombed ruins of Parliament. According to Hunt, citing Churchill's secretary, Sir John Colville, who was present at the time, the silhouetted figure was Brendan Bracken and not, as claimed by the Author, INTREPID.

Joining these British critics is this reviewer, who finds both Author and book distressingly deficient. What is fundamentally wrong with this book is its overall vulnerability to challenge and disproof on so many points and in so many ways. So great is this vulnerability on demonstrable matters that it leaves in great jeopardy anything—and in this book that is considerable—that rests on the say-so of the Author. If not "utterly worthless," the book is certainly utterly unreliable.

Take the Author and his sources. Among these, chief is Sir William himself who assures the reader that he has "read the manuscript and vouch[es] for its authenticity" (p. xiv). But Stephenson was also H. Montgomery Hyde's chief source and on several vital matters has told his two biographers conflicting stories about himself. The Author, reworking Hyde's field, never bothers to reconcile Stephenson with himself. How, for instance, do we reconcile Stephenson telling Hyde that supplying information to Churchill in the years 1936-39 was "my only training in espionage" (*Room 3603*, p. 17) with his revelation to the Author of nearly 20 years of previous secret intelligence activity?

The Author's second major source is the highly-touted "BSC Papers," which are described as "many thick volumes and exhibits" written by the "BSC historians" (p. xiv) and squirreled away in Canada at the end of the war. Bad enough it is that these presumably rich documents are tantalizingly withheld from the public and that they are never cited as to writer, subject, date, or page. Worse still, though triumphantly invoked they rarely prove anything new or important. They are utterly silent, for instance, on the all-important alleged clandestine relationship between Stephenson and President Roosevelt.

The Author's third main source is open literature, but here the citations are so brief, irregular, and even erroneous that the reader must fend for himself. The results are disappointing: he finds out the hard way, for example, that *The Inner Circle* by "Joan Bright" was authored by Joan Bright *Astley*.

Such faulty historiography naturally produces faulty history, to which the following potpourri of particulars bears witness: One, it is sly writing to speak of Donovan's prewar visits to Germany as "discreet visits to Hitler" (p. 32). Two, it is simply silly to say that FDR tried to keep Donovan's trip to London secret from the U.S. Embassy there and that Amb. Joseph P. Kennedy learned of it "despite Donovan's discretion" (p. 123); the fact is that Roosevelt, unhappy with Kennedy, just did not bother to inform his ambassador, and in any case, the State Department did notify the embassy of the trip eight days before Donovan arrived in London. Three, it is the purest puffery to say that for the British it was "essential" (p. 115) that Donovan be in London in mid-1940 on the occasion of the establishment of Britian's

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1
UNCLASSIFIED

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

UNCLASSIFIED

unconventional warfare organization, the Special Operations Executive (SOE); the fact is that initially the British were quite confused about the purpose of the trip. Four, it is not true that "Stephenson's name was never mentioned" (p. 140) when his cover organization, BSC, was registered with the State Department; his name, title, and BSC's full name were all formally notified by the British Embassy to State at the time—21 January 1941. Five, it is more puffery to say that Donovan's speech, after his 1940-41 trip, sent Hitler, "as intended," into "a dangerous and this time uncalculated rage" which "a week later" (p. 211) brought on Germany's attack on Yugoslavia—as though this had not been adequately provoked by the pro-allied coup that had just been pulled off. Six, how can any chronicler—the Author has great trouble with time, dates, and the sequence of events—say that Donovan and Stephenson spent the *entire month* of June 1941 (pp. 250-253) in England when on 18 June 1941—one of the most important dates in this story—Stephenson in the U.S. cabled London news of the meeting that day between Donovan and Roosevelt wherein FDR authorized the establishment of what became first the Coordinator of Information and then the Office of Strategic Services?

No, this volume is so persistently inaccurate, imprecise, misleading, so badly documented, and above all so grossly inflated that it can be neither assented to nor believed. It can only be treated with the greatest reserve. Its success, considerable indeed, can be largely attributed to the Author's talent for writing not fact but for effect.

What, then, of "the big picture" of INTREPID as a life-long superspy conniving with King and First Lord and "running" an American president? Highly overblown. It undoubtedly would look much different if we had the testimony of certain key figures also involved in these events, namely, George VI, Churchill, Roosevelt, Donovan, and Hoover. But alas, they are all gone. So until a better account, a less disinterested one, comes along—and John Le Carré correctly wrote in his review in the New York Times that "both the man and the subject undoubtedly merit" one—the reader is advised to stick with H. Montgomery Hyde.

Thomas F. Troy

UNCLASSIFIED
Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

25X1
Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1

Approved For Release 2005/01/26 : CIA-RDP78T03194A000400010019-1