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By JOHN GUNTHER

INSIDE CIA

the story of

OUR SPY NETWORK

Will Russia launch a war this year? From all available evidence, Washington does not think so. Our defense effort today is geared to a gradual increase of strength. There is no surge of activity of the kind that an impending emergency would demand. Policy makers appear certain that the Russians, on the whole, have no immediate incentive for war; that the Soviets believe the punishment they would take would imperil their regime; that Moscow expects to gain more than we by marking time; that it has no hope of winning a war in the near future and still believes the world may

be Russia's without the necessity of undertaking a war.

How does Washington reach these conclusions? Its cool estimate almost certainly stems in large measure from a secret but vital organization that has top responsibility today for knowing what's going on in Russia and elsewhere in the world—the Central Intelligence Agency. Such an organization can determine the fate of America. For this reason, LOOK recently asked one of the country's best reporters to dig for all the publishable facts on the CIA and its associate agency, the Psychological Strategy Board. Here is his report.—THE EDITORS

CEASELESSLY alert in Washington are two super hush-hush organizations dedicated to preserving the security and best interests of the United States against the Soviet Union. Both are as silent as a man with adhesive tape strapped across his mouth. They are like sunken watchtowers, like human seismographs.

One is the Central Intelligence Agency and the other, even less well-known, is the Psychological Strategy Board. Each is autonomous, but they interlock, and their highly "classified" (secret) reports help form the basis for our cold-war policy.

Upon the quality of their work, the future of the United States vis-à-vis Soviet Russia may well depend.

Recently members of a well-meaning women's organiza-

tion in Washington wanted to pass a resolution publicly commending the CIA (Central Intelligence Agency). The CIA was sounded out, whereupon word went down to the women's organization: "If you commend us for good work, you know more about us than you should. And if you know that much about us, we are not doing good work."

The atmosphere around the CIA suggests—let us put it mildly—certain precautions. Every visitor is checked in and out of each office, but the words "Central Intelligence Agency" do not appear on the slip of paper he must fill out.

Every official and employee of CIA, before being hired, must undergo an exhaustive security check. On top of the regular FBI and other checks, the CIA maintains a security office of its own, for further top-secret investigation. Although

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CIA head, Gen. Smith, right, is ex-ambassador to Russia. He talks here with a Soviet attaché.

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Under "Beetle" s

the CIA does not speak of it, some of its employees voluntarily take lie-detector tests. If an employee engaged in particularly "sensitive" work marries, the prospective wife or husband is carefully investigated.

Office trash is shredded and burned in the CIA's own incinerator. When an official wants to destroy confidential notes or work sheets, he does not put them into the wastebasket. They are carefully packed into big envelopes, and then are actually put into his safe, to await the daily collection. Even the ashtrays are emptied by "classified" charwomen, and stenographers are obliged to take their typewriter ribbons out of their machines each night and lock them in the office safe, if secret documents have been typed and if the ribbons are new.

If a CIA official is carrying important documents even on such a short trip as to the Pentagon, it is recommended that he go in a Government car with a chauffeur trained to know what to do in case of an emergency; for instance, if there should be an accident. On trips out of town, CIA officials themselves never carry important documents, which are transmitted by a special top-secret carrier service.

If a CIA man should be hurt in a traffic accident, or otherwise, wheels instantly move within wheels and he is removed from the jurisdiction of local hospitals or police. If a CIA man should happen to blow up with nervous strain, and have to be placed in some institution, it sometimes happens he will be taken care of by the organization's own medical staff.

The main CIA building is not identified as such. The gate carries the street number, nothing more. It is, however, listed in the telephone book, because nonlisting would defeat its own purpose by making the organization more rather than less conspicuous. For a time, employees calling at other Government bureaus were forbidden to reveal that they worked for

the CIA, but this had to be given up for the same reason. But the badges CIA officials carry (and which they must show on entering and leaving every installation) do not carry the name of the organization.

One day I met an officer, whom I knew to be a colonel, in civilian dress. I saw him again the next day and he was in uniform. This was because he had to attend a military meeting, and for him to have been out of uniform might have aroused comment. It is really something when a military man wears his uniform as a disguise.

"An intelligence officer who talks about his business ceases to be an intelligence officer," Gen. Walter Bedell Smith, the director of Central Intelligence, said recently. Indeed his men are close-mouthed, and in something like thirty years of journalism I have never encountered an organization so difficult to write about.

Function of CIA Is Explained

Nevertheless the CIA—like the PSB—is willing to treat the visitor with courtesy, and say something. This, too, is as it should be, because both organizations are supported by public funds and owe a definite responsibility to the public.

The Central Intelligence Agency came into being in 1947. Its function, informally stated, is to collect, correlate, analyze, evaluate and disseminate intelligence. It co-operates with other intelligence groups serving the Government—in particular those of the Army, Navy, Air Force, Atomic Energy Commission, State Department, and FBI and attempts to make a clear pattern for all in the field of national security. It has the right to inspect the files of the FBI and other organizations concerned, to the extent recommended by the National Security Council and approved by the President, and it is responsible only to the National Security Council itself, which means the President.

The CIA protects the vital interests of the United States outside the country, just as the FBI works inside. The frontier between the CIA and FBI is the coastal fringe of America.

The CIA has offices in more than 20 American cities, and foreign installations scattered from Okinawa to Cyprus. In Washington alone it occupies 34 different buildings, but most of these are small, and they are widely separated throughout the city.

One taboo subject is the number of employees. This figure is so secret that not more than a dozen men in the CIA itself know it. A guess might be 5,000. Another guess might be 10,000.

Another taboo subject is the budget for intelligence. One estimate I heard was \$75,000,000. I do not vouch for it. If that is all it is, the CIA is cheap at the price. It costs \$3,000,000 to build a single jet bomber these days, and \$200,000,000 to equip an armored division.

Not until the Office of Strategic Services was set up under Gen. William J. (Wild Bill) Donovan in World War II did the United States possess an espionage structure on the national level, centrally directed and systematically organized.

Agency Succeeded Wartime OSS

The OSS broke up after the war, and its remains were split between the State Department and the Army. After several years of agony and frustration, it became clear to the people who count in Washington that some new organization must be created. The need was imperative. Hence arose the CIA.

The CIA limped badly at first, and got badly kicked around. Rival departments were reluctant to give up or share their functions, and hated the idea of a new autonomous organization. The State Department, in particular, zealously strove to keep all gathering of political information in its own province. Leadership in the CIA was not forceful enough, and good men melted away. Boners came in the utilization of intelligence, for instance in reference to Korea in 1950, and the CIA was among the organizations blamed.

Two things then occurred, which ended this unhappy situation.

First, a top-secret committee was appointed by Mr. Truman to go over the affairs of the CIA, and rake it from stem to stern. Second, Gen. Walter Bedell (Beetle) Smith was appointed to be director of Central Intelligence in October, 1950. And he has done a job.

Beetle is something special. A smallish, tough, tenacious man, he is the only four-star general in the United States Army who never went to West Point or any other military school. He enlisted in the National Guard, in fact, at the age of 15, spent seven years as a

Smith, CIA counts on top-notch men for its hush-hush work

private and sergeant. He finally won a commission and eventually rose to be Eisenhower's chief of staff in World War II, ambassador to Moscow, commanding general of the First Army and finally boss of the CIA.

Several things help General Smith in the CIA job: (a) He is a full general, and hence the Army respects him. On the other hand, the Army has an ingrown habit of being, on occasion, cool to any general who goes back to civilian life. (b) He knows well the art of shopping for men. (c) He had three years of experience on the spot in Moscow, and knows the Russian temperament well. (d) Mr. Truman likes and trusts him.

Above all, though he has been a military man all his life, he understands the civilian point of view. Before he took charge of the CIA it contained a good many Army and Navy officers, most of whom were serving there on routine short term assignments. Smith has brought many more military men into the organization, but he uses them, by and large, as specialists rather than as managers. Also he has brought in many civilians; in fact, all except two of his chief assistants are civilians, and he has made it clear at all times that the CIA is—and must remain—fundamentally a civilian agency.

The General has the power to smack heads together, but seldom does so. His job is not to affront the Army, the AEC, the State Department or the FBI, but to get along with them all.

Of course certain frictions still exist between the CIA and the Pentagon, despite Smith's best efforts. But on the whole the point has been reached—on intelligence—where the Army has to have what the CIA has, more than the opposite.

Gunther Names Men Who Run CIA

No organizational chart of the CIA has ever been published, and the names of most men working for it—even on top levels—are unknown to the public. I have, however, permission to print what follows, though several of the names have hitherto been secret.

Immediately under General Smith is the deputy director, Allen Dulles. A brother of John Foster Dulles, he is a well-known figure in his own right, though people know little of what he did in Switzerland during the war, when he headed the OSS establishment there. His work in helping to bring about German and Italian internal collapse was, it has been soberly stated, worth a brace of allied divisions.

People sacrifice a lot to work for the CIA and Mr. Dulles is no exception. As a lawyer, his earnings were very substantial; he works for the Government for a comparative pittance.

Under Smith and Dulles are three main

departments, each with a deputy director—Covert Activities, Intelligence, and Organization. The man handling Covert Activities is so secret that his name is never divulged.

The deputy director for Intelligence is Loftus Becker, a youthful, dark-haired, slow-spoken New York lawyer and a graduate of the Harvard Law School. He was an intelligence officer with the Ninth Army and then attended the Nuremberg trials as a specialist on German military organizations.

The deputy director for Organization, Walter Reid Wolf, is the organization's business manager, so to speak. He served in World War I as a 2nd lieutenant, went to Yale and became a banker.

Then there is an official known as the inspector-general, who is Stuart Hedden, aged 53. He went to Wesleyan University in Connecticut and to Harvard, became a wealthy businessman and then returned to Wesleyan where he spent ten years as manager of its finances. Hedden is the trouble-shooter for General Smith, the private eye. His function is to go into any part of the organization, and shake it up.

Other CIA Executives Listed

In the Intelligence Division one man who deserves mention is Sherman Kent, the assistant director in the Office of National Estimates. Kent, the organization's chief theoretician, was for many years a professor of history at Yale, who then worked for OSS during the war. He is the author of one of the few textbooks in the field, *Strategic Intelligence*.

Still another figure in the organization is a retired Air Force colonel, Matthew Baird. If Hedden is the private eye and Wolf the business manager, Baird might be called the schoolmaster. He is director of Personnel and Training, and as such touches on affairs clandestine in the extreme.

I talked to all these men, and there are a dozen others I might mention. In Sherman Kent's division are people like Raymond J. Sontag, professor of history at the University of California; former ambassador to China Nelson Johnson; at least one retired lieutenant general and one retired vice admiral, and plenty of Ph.D.'s and intelligence-minded business men.

General Smith, it would seem, has licked one of the most crushing of all Washington problems, that of getting really good men to give up their private careers for service to the Government. The CIA, I heard it said, is the only organization in the capital that can still get top-notch people. One reason is, of course, that they are protected. Congress has little inclination to go after them.

On the lower levels, there are all manner of personnel problems. A man, whether he is

going to serve at a desk or out in the field as a secret agent, needs a lot of training. One hush-hush detail is that, by special act of Congress, the CIA may import into the United States a certain number of aliens every year. One difficulty is, of course, money. No matter what its budget is, the CIA cannot afford to employ all the brains and talent it needs.

Training may go on for years, and can include everything from advanced techniques in electronics to how to pick a lock or undermine a cabinet. The organization is busy now training people who may be useful in 1965 and later.

The CIA doesn't talk about this area of its operations, but it conveys the definite impression that if any enemy plays tough, we know how to play plenty tough too.

To get and train a good man, we will go anywhere. If the best teacher is in Alcatraz, we will go to Alcatraz. It is not unusual to have three or four "instructors," all experts in their individual realms, teaching a single recruit. Women—contrary to some belief—often make excellent agents. No agent is ever told more about his job than is strictly necessary, so that, in the event of capture and torture, he will have comparatively little to reveal.

Novel Aids Help Train Agents

One fascinating item is the language school. The CIA gives instruction in 68 languages, from French to Pushtu, and it can teach an average student to read a Russian newspaper—*Pravda*, say—in a remarkably brief time, by use of novel gadgets and devices. Chinese takes two years and Arabic something less. Another striking item is the optical laboratory, which I was also permitted to see; this improves a student's reading habits, so that he can go through documents faster. Still another is an extraordinary electronic instrument, the only one of its kind in the world (full details may not be given) which automatically selects and reproduces certain types of recorded information by a photographic process.

Only a minor proportion of the CIA's work is "covert," or, in the argot of the trade, "sensitive." The work of secret agents—spies collecting information in friendly or unfriendly territory—is indispensable and can be of paramount necessity, but it is only a fraction of the whole. In these days, the punched cards of International Business Machines are apt to be more important than cloak or dagger. Relentlessly patient analysis of enormous quantities of freely available data probably carries more weight than pilfered papers.

Foreign broadcasts are an important source of information. The CIA has strategically placed listening posts in various parts of the world, and the total "take" is phenomenal

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CIA gets intelligence from spies, other sources; PSB uses

—some three million words a day, which is four and a half times longer than the Bible.

Another important source of information is documents. Ceaselessly the CIA picks up newspapers, magazines, technical journals, reports of all kinds, from every corner of the globe and microscopically scrutinizes what they say.

A fundamental problem in intelligence, one CIA expert told me, is "appropriate guidance from the consumer." It simplifies the work of the CIA immensely if it knows what the "consumer" (Mr. Truman, the National Security Council, or any interested body of the Government) wants to know, and more why it wants to know. Suppose a request comes for an analysis of the coastline of Country X. Very good. But what is this analysis for? Mine-laying? Beach assaults? Capacity to grow new types of seaweed? The more refined and detailed the request, the better the CIA can operate. The CIA can deliver, if it gets proper guidance.

These are some things, on various levels, that the CIA might be called upon to find out:

What is current production in Mine #17 in the Czech uranium fields? Is this better than last year? Any labor trouble in this particular mine?

How many of the leading Japanese Communists have been in China recently, and what was their experience there?

How many atomic bombs has the Soviet Union?

Analysis of Facts Is Important

The CIA is an assembly line; it is not the boss. For a large part of its intelligence, it relies on other agencies. So a major question is—How well does it evaluate?

On day-to-day issues, this is the province of a special desk geared for quick action, and its director works much like the city editor of a big newspaper. Suppose a monitored broadcast, a news ticker, or the State Department teletype reports that a West German Communist leader has made a cryptic, unexpected speech saying such-and-such. Will this have any effect on the American position in Berlin? The report is reviewed by expert analysts—who know German and Germany well. In a matter of minutes, the first "flash" will be on the appropriate desk; in a matter of hours, a full report will be ready.

Every afternoon at a certain hour, the day's entire gist of current information is processed. The appraisals are worked over during the evening and are ready for mimeographing by midnight; then they are delivered to the customers the next morning. Some go straight to the President; some go to the Chiefs of Staff.

On long-range matters, the process is more complex. A series of "National Estimates" is steadily in process of being written, on every conceivable variety of topic dealing with the country's interests. These are prepared after elaborate consultation—not merely within the CIA itself—but with representatives of the various agencies who meet with General Smith once a week, like the Office of Naval Intelligence, the Army's G2, Air Force intelligence and State Department experts. Outside people may be called in for consultation; for instance, if a petroleum problem is at issue.

an oil man may be asked for an opinion. Finally, the report goes to a special (and ultra-hush-hush) panel of top-flight civilians not in the Government. The membership of this panel shifts according to the problem involved.

The original contributors are empowered to comment on the finished product, and dissenting minority reports are permitted. Then the documents go to the departments concerned, the National Security Council and the President, and become (in theory at least) a solid basis of an overall, integrated national policy.

Some Shortcomings Criticized

These reports, though everybody concedes that they are conscientiously and competently done, have been roundly criticized on occasion on three scores: (1) Since, by and large, so many Government agencies sit in on their production, they are likely to represent the lowest common denominator of opinion. To get agreement, everybody sacrifices something. They are compromises, and compromise on intelligence is bad. (2) The high level people only begin to work after the junior experts have paved the way, and these juniors—being human—are not omniscient. The technical staff at the bottom ought to be better. (3) Even the wisest men are fallible on matters so broad. Suppose we want to calculate the future intentions of Mao Tse-tung toward India, or of India toward Mao Tse-tung. Either calculation will be quite a job.

Who decides what will go all the way up to the President? Answer—the President. Mr. Truman is interested in every aspect of the CIA, and, quite aside from his role in supreme decisions, he likes to keep his finger on everything that is going on.

Should the CIA, instead of being coordinator, be the boss? Should it in other words, take over all other Government intelligence functions? No. One reason is that neither the military nor the State Department would agree. Another is that the CIA does not want to be bothered with purely tactical military intelligence. Another is that, although it has a large scientific section, its function in this field is primarily to be a coordinator, since science is so specialized.

Does the present setup cause too much duplication? Not necessarily. Duplication means competition, which is good.

Can the CIA guarantee against another Pearl Harbor? Certainly not. General Smith has made this clear on several occasions. A sneak attack from the air, or by sabotage, is always possible; no radar screen, no intelligence system, is or ever can be absolutely fool proof. But the CIA thinks that it has produced the focussing mechanism whereby, if a sneak attack does occur, it can be countered with the maximum of promptness and efficiency.

"Intelligence is always an unfinished business. We're never as good as we want to be," says General Smith. "We can't talk about what successes we have achieved, because that would give our hand away."

I met one high official in the Pentagon, an old friend whom I trust. He talked about the achievements of the CIA, and then said, "If only I could tell you some of the things it's done!"

PSB Co-operates with CIA

Turn briefly now to the Psychological Strategy Board—PSB—with which CIA works closely. Just as CIA derives from the old OSS, so does PSB derive (in one sense) from the old Office of War Information. The CIA, generally speaking, is an intelligence agency; the PSB is concerned with cold-war strategy. Neither makes policy, but the PSB has a hand in developing policy.

"Psychological Strategy" really means "Psychological Warfare." This, in turn, means propaganda. The PSB works in all fields of propaganda, both "black" and "white," but most of its activity is too secret for any detailed mention. Both organizations are close-mouthed. PSB only slightly less so than the CIA. Shakespeare described their methods well: "Seal up your lips, and give no words but mum."

The PSB is housed in a smallish double building in the middle of Washington, and there is no name plate on the door.

The Presidential Directive (not Act of Congress) which set up the PSB in 1951 has been published only as a classified document.

Allen Dulles, deputy director of CIA, heads list of talented aides working for Smith. During war, he served with OSS.



Loftus Becker heads CIA Intelligence department. A New York lawyer, he was wartime intelligence officer in Germany.



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and few in Washington know the organization's complete responsibilities. The name of the director has been printed on occasion, but those of his chief assistants are unprintable. The organization is small, and its members are hand-picked and elite. They have to pass four different security checks. One of its sub-directors is a well-known professor of philosophy, one a newspaperman with wide political experience in Europe and Asia and one a diplomat who has served in Moscow and Berlin.

Dr. Raymond B. Allen is director. He is a medical man (with both M.D. and Ph.D. degrees) who has a remarkable administrative record. He has never worked for the Government before, except on one brief job. A North Dakotan, Dr. Allen was born in 1902, variously he has been associate dean of the College of Physicians and Surgeons at Columbia University, dean of the Wayne University College of Medicine, executive dean of the medical faculty of Chicago College (University of Illinois), president of the University of Washington in Seattle, and chancellor-designate of the University of California, Los Angeles. Dr. Allen is a forthright, friendly man who wears heavy glasses, has a deep voice, still keeps up with his medicine and has plunged into his onerous job with great armen and energy.

How the PSB Is Set Up

The PSB is not "operational." It has no budget. What money it needs it gets from other Government departments. Three men, who constitute its board, give direction to Dr. Allen, and pass up their recommendations to the National Security Council and the President. The three are David K. E. Bruce, in his capacity as Undersecretary of State, William C. Foster, in his capacity as Deputy Secretary of Defense, and General Walter Bedell Smith, head of the CIA, who is chairman.

The frontiers between CIA and PSB are not altogether sharp. But suppose, let us say, that Country M, a friendly state, has a troublesome Communist problem and wants help from us. The CIA will explore the situation, then it becomes the function of the PSB to prepare a plan. This plan, when approved, is then turned over to the appropriate operating agency of the Government. The various PSB

"plans" so far prepared and put in operation are, of course, severely classified, and only a few top-flight officials ever see them. Recently, one had to do with proposals for the integration of West Germany into Western Europe.

Partly, PSB was established to smooth out wrangles over spheres of influence between the Pentagon and the State Department, and to eliminate interdepartmental jealousies. The men chiefly responsible for setting it up were Mr. Truman himself, General Smith and Admiral Sidney Souers, former executive secretary of the National Security Council.

In its day-to-day workings, the chief complaints over PSB are that, as with the CIA, its decisions embody too much compromise, and that it takes far too long to reach them. It may take PSB six months or even longer to get a plan ready, because (a) agreement must be reached with all the agencies concerned, and (b) the really vital decisions are on such a Himalayan level. It is one thing to work out a plan for, let us say, combating communism in Germany. It is quite another to work out one on such a question as "What shall be the future American approach to nationalism in the Middle East?" or "What should be done about Arab aspirations in North Africa, considering French interests there?" To answer these, the entire functioning mechanism of the Government, on an extreme long-range-high level, has to be called into play.

PSB is new, and is working hard. Nobody talks about results as yet. One of its top officials told me: "There's no Hooper rating for the kind of stuff we monkey with!"

What We Know About Soviets

The entire complex apparatus described in this article would not, of course, be necessary at all if American relations with the Soviet Union were normal. Congress would not give our intelligence and propaganda services as much as they get if it were not for the Russian threat. Hence, the taxpaying citizen has a right, above all, to ask what the CIA and PSB are doing vis-a-vis the Soviets, how well they are stocking up information and producing plans for the future and what they think of Russian intentions now. Do we really know what the U.S.S.R. is up to?

The Russians are inordinately hard to crack. They are much more impenetrable than were the Germans or Japanese before or during the war.

This serves to make our intelligence work

on the Soviet Union inhumanly difficult. What we rely on most is a fiercely sharp scrutiny of the whole Russian economy, not merely from day to day, but from month to month and year to year. Mainly the job is a slow, detailed, laborious, pedantic, dirty job of meticulously fitting together small bits of information.

The knowledge accumulated is then applied to the crucial problems that confront us—for instance, Do the Russians intend to make a general war?

The CIA might set about analyzing this problem as follows:

1. No prohibitions against war exist in Stalinist doctrine, war is recognized as an instrument in Russian national policy. Therefore, in theory, the possibility of war cannot be ignored.

2. The Russians are a severely realistic people, and, before embarking on war, would be certain to ask themselves if they would gain or lose by such action.

3. To estimate their guesses on this, we have to estimate how well they think they are getting on with their present cold-war tactics. Always we must work on two levels. (a) What do they think, or, rather, what do we think they think? (b) What do we think?

4. If they think they are doing well without war, war is unlikely. Moreover, they must attempt to assess (a) what our response would be to aggressive action in Europe, (b) how vulnerable they are to counter attack. They know well that the American Strategic Air Force exists, and they probably have a good idea of what it could do. Will they make a war, if they know that Moscow will be destroyed the next morning?

5. A vast number of other calculations have to be attempted. For instance, the Russians might think that they could win a short war. But what about a long war, which would bring into play the full power of American industrial production?

6. What about accidents? Could a blunder start a war that no one wanted?

7. Could a civil war in Germany, if one should occur, provoke a general war?

No human being can answer questions like these with certainty or prepare exact plans to take care of them. What the CIA and PSB are trying to do is get the best possible consolidated guess or estimate.

The American people can be sure they are doing a first-class job.

END

Walter Reid Wolf, banker, is in charge of Organization Head of a third department. Covert Activities, can't be named.



Stuart Hodden, an inspector-general of CIA, is trouble-shooter for Gen. Smith. He's an ex-businessman, college trustee.



Sherman Kent, chief theoretician of the CIA, is assistant director in Office of National Estimates. He's an ex-OSS man.



Dr. Raymond B. Allen is PSB head, works close to CIA in cold-war plans.

