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2 May 1952

MEMORANDUM FOR: Mr. Stuart Hedden

SUBJECT: Organization of the German Station

1. In recent discussions, the EE Division has pointed out that the organizational trend in Germany is now toward the establishment of a substantial headquarters under General Truscott in Frankfurt. From the SO point of view, this move toward greater centralization of operating control in Frankfurt is regarded as a retrogression to a less desirable organizational formula. We would, therefore, appreciate it if, on your visit to Germany, you would go into this matter with General Truscott and Mr. Stewart within the framework of your interest in the overall CIA organizational problems in the area. Set forth below is a presentation of the background and current position of OSO as it pertains to its operational activities in Germany.

2. At the time OSS was liquidated, there was a large headquarters of the German Station in Wiesbaden to which reported the various operating bases throughout Germany. This headquarters contained a heavy commitment of personnel and constituted a point through which everything from the bases funneled. It soon became apparent that the proper servicing of peacetime intelligence operations could not be handled from a regional headquarters as had been done during the war. In order to effect appropriate standards securitywise and in connection with operations in general, it was necessary to coordinate German activities with those of other countries, a function which could be performed effectively only in Washington. Further, the increasing demands placed upon the organization by AFSA, the FBI, the Pentagon, the State Department, and other customer agencies necessitated policy decisions and the performance of services on a worldwide rather than a regional basis. This is a continuing demand on any secret intelligence organization and does not admit of delegation to regional commands.

3. During the ensuing two years, SSU, then CIG, was forced to operate on the lean side personnelwise, and it became clear that in order to use operating personnel to maximum effectiveness in Germany, it was necessary to devise some system whereby case officers could be placed on the firing line (i.e. in the operating bases) to the greatest extent possible. This necessitated a reduction in the headquarters complement of the German Station, a trend which many felt to be desirable not only from an operating standpoint but also from the viewpoint of efficiency. The solution adopted was to strengthen the

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individual operating bases and to reduce the size and functions of the echelon at German headquarters thereby increasing the control and participation of the Washington organization. This system permitted the bases direct communications with Washington while at the same time providing for the maintenance of command authority and responsibility of the Chief of Station. It worked in the following fashion: The Chief of Station remained responsible for all matters in his area of command (Germany). To the extent that he and Washington felt desirable, he determined policy, made operational decisions, assigned personnel, and was responsible for all moneys expended. To the individual base chief was delegated the facility to correspond directly with Washington both by cable and pouch on operational matters, an information copy of such correspondence being sent automatically to the Chief of Station. After reviewing the material, he had the responsibility for advising Washington if there were anything emanating from a base with which he disagreed. If there was such disagreement, Washington waited until the Chief of Station and the specific base chief had had an opportunity to confer and forward a consolidated position on the point at issue. Then Washington would act if action seemed desirable. On policy matters, the base chiefs consulted the Chief of Station prior to communicating with Washington; and in an effort to keep a harmony of views in this field, periodic base chief meetings were held at the headquarters to insure that common policies, procedures, and philosophies prevailed throughout the German Station. It would be too lengthy to set forth in greater detail in a memorandum of this type the precise workings of this system, but it is generally agreed that after a reasonable shakedown period, it worked to everyone's general satisfaction.

4. The trend in CIA Germany today away from this system toward centralization in the Frankfurt headquarters deserves careful review from OSO's standpoint since we believe that a continuation of the system of decentralization to the base chiefs in Germany is not only practicable but more effective. As pointed out above, it permits a maximum utilization of available personnel on the actual work of collection. It keeps down the number of individuals at German headquarters who work over papers and projects which eventually come to Washington for review, thus obviating the creation of a heavily staffed intermediate echelon. And it permits a degree of operational independence to the base chiefs without negating the authority or command responsibility of the Chief of Station or the legitimate role of the Washington headquarters where final determinations in most intelligence matters have to be made. In addition, a strengthening of the individual bases will put them in a position to fend for themselves when, as a result of an inevitable increase in the exercise of its

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sovereignty, the West German Government creates an atmosphere in which a large German headquarters will gradually have to be cut back in size. Last but not least, the delegation of precise responsibility for specific operations or categories of operations will be simplified by the placement of primary responsibility on individual bases rather than by spreading it among a base, a desk officer in Frankfurt, the Chief of Station, and Washington. It is evident that the actual case officer has a real function. The Washington desk also has a role which cannot be delegated. It appears unsound to insert an intermediate control point between these two essential components. It is recognized that this last may be an oversimplification of this aspect of the matter, but at the current writing the precise location of responsibility for some projects in Germany is difficult to determine.

5. In conclusion, it should be emphasized that since General Truscott's return to Germany after his visit to Washington in March, the German Station organizational pattern has been in a state of flux and is probably not yet solidified. For this reason, the degree of centralization at Frankfurt may not be as great as the EE Division believes it to be. Nevertheless, your comments and views on this problem would be greatly appreciated upon your return from Germany.

RH
Richard Helms
Deputy Assistant Director
Special Operations

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