

**DISORDER OVER DESIGN:
STRATEGY, BUREAUCRACY AND THE
DEVELOPMENT OF U.S. POLITICAL WARFARE
IN EUROPE, 1945-1950**

by

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Abstract (not to exceed 200 words - any continuation sheets must contain the author's full name and full title of the thesis/dissertation): This study explores factors behind the development of a covert political warfare capability by the United States government from 1945-1950. Specifically, it examines the place of political warfare within U.S. policy and bureaucracy towards Europe and the Soviet Union. Political warfare was defined expansively to comprise psychological, political, economic and paramilitary actions.

External factors are significant, above all the deterioration of relations between Washington and Moscow and the onset of the Cold War. But specific emphasis is given to internal aspects. In particular, strategic and bureaucratic factors are examined that shaped the inauguration of an unprecedented peacetime capability of subversive foreign intervention.

The central hypothesis is that disorder prevailed over design as a political warfare programme was developed against the Soviet bloc. Institutional conflicts overshadowed a unified national approach, while coordination between departments and agencies hampered effective implementation. Furthermore, the position of political warfare within broader U.S. foreign policy remained ambiguous and problematic. Washington failed to formulate a workable, unified strategy towards the east integrating political warfare. This undermined the fundamental American objective in the early Cold War to retract Soviet power peacefully from Eastern Europe. A legacy of strategic incoherence beyond 1950 resulted.

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TABLE OF CONTENTS

| | |
|--|-----|
| Abbreviations | i |
| National Security Council Directives | iii |
| Introduction | 1 |
| 1. The Origins of Political Warfare: The Development of Peacetime Intelligence and the National Security Act of 1947 | 27 |
| <i>Part 1: The Organisational Roots of Political Warfare: From OSS to CIG</i> | 30 |
| <i>CIG's Expansion: The Non-Strategic Development of a Political Warfare Capability</i> | 34 |
| <i>The Onset of the Cold War: Wartime Psychological Warfare Planning</i> | 39 |
| <i>Part 2: The Pursuit of Intelligence Legislation and Creation of the CIA</i> | 46 |
| <i>The Drafting of an Intelligence Bill</i> | 49 |
| <i>The Unification of the Armed Services and the Merger Bill</i> | 54 |
| <i>Endnotes</i> | 61 |
| 2. Holding the Line: ERP, the Communist Challenge, and the Bureaucratic Struggle over Psychological Warfare | 72 |
| <i>The Marshall Plan and the Cominform</i> | 75 |
| <i>The Long March to Psychological Warfare Begins</i> | 82 |
| <i>The Convergence of SANACC and Peacetime Psychological Warfare</i> | 87 |
| <i>Interim Measures and the Bureaucratic Quagmire</i> | 92 |
| <i>The Final Phase: Bridging the Bureaucratic Divide</i> | 99 |
| <i>The End of the Beginning: The Adoption of NSC 4-A</i> | 107 |
| <i>Endnotes</i> | 111 |
| 3. Cold Wars in Europe and Washington: Administrative Conflict and the Inauguration of Political Warfare | 117 |
| <i>SPG and the Initiation of Covert Psychological Warfare</i> | 119 |
| <i>The Cold War in Europe, Italy and the Historical Narrative</i> | 123 |
| <i>The Debate Begins over the Organisation of Political Warfare</i> | 130 |
| <i>PPS and the Origins of Peacetime Political Warfare</i> | 132 |
| <i>The PPS-CIA Feud</i> | 141 |
| <i>The Inauguration of Organized Political Warfare</i> | 145 |
| <i>Administrative Differences Widen-The Director of Special Studies</i> | 149 |
| <i>NSC 10</i> | 155 |
| <i>Allen Dulles and the ISG's Interim Report</i> | 157 |
| <i>Hillenkoetter's Compromise Proposal</i> | 164 |
| <i>The Lovett-Forrestal-Dulles Meeting: An Alternative to NSC 10</i> | 166 |
| <i>The Special Services Unit</i> | 168 |
| <i>From The Office of Special Services to the Office of Special Projects</i> | 173 |
| <i>The Final Phase- The Redrafting of NSC 10/1</i> | 179 |
| <i>An Uneasy Compromise: Approval of NSC 10/2</i> | 181 |

| | | |
|----|--|-----|
| | <i>Endnotes</i> | 187 |
| 4. | The Strategic Dilemma: The Pursuit of a Soviet Bloc Policy, Titoism, and Program A | 195 |
| | <i>The Debates over Soviet Bloc Policy in 1948</i> | 198 |
| | <i>The Adoption of NSC 20/4</i> | 209 |
| | <i>Germany, Program A and the Ramifications for the Cold War</i> | 213 |
| | <i>U.S. Policy and the Moscow-Belgrade Dispute</i> | 221 |
| | <i>The Spring 1949 Policy Debates</i> | 230 |
| | <i>The Development of Soviet Bloc Policy, June-December 1949</i> | 237 |
| | <i>The London Conference of U.S. Ministers to Eastern Europe</i> | 245 |
| | <i>The Adoption of NSC 58/2</i> | 255 |
| | <i>The Transition of Policy in 1950</i> | 259 |
| | <i>Endnotes</i> | 271 |
| 5. | Systemic Disorder: The Divergence of Policy and Operations before the Korean War | 279 |
| | <i>The Administration of Political Warfare Post-NSC 10/2</i> | 282 |
| | <i>The Activation of OPC</i> | 296 |
| | <i>Sanctioning a Broad Operational Mandate</i> | 301 |
| | <i>OPC's Autonomy and the Futility of Policy Guidance</i> | 307 |
| | <i>The Launch of Operations by OPC</i> | 317 |
| | <i>Albania: Operation Valuable</i> | 319 |
| | <i>A Misplaced Action against Yugoslavia</i> | 324 |
| | <i>Poland: Support of WIN</i> | 326 |
| | <i>The Ukraine: Operation ZRELOPE</i> | 328 |
| | <i>Endnotes</i> | 332 |
| 6. | A Legacy of Disorder over Design: The Strategic and Operational Failure of U.S. Political Warfare after 1950 | 339 |
| | <i>The Impact of NSC 68 on Strategy and Operations</i> | 341 |
| | <i>The Organisation of Operations under the CIA</i> | 358 |
| | <i>The Rise and Fall of PSB</i> | 361 |
| | <i>The Persistence of Strategic Flaws beyond the Truman Administration</i> | 372 |
| | <i>Endnotes</i> | 375 |
| | Conclusion | 381 |
| | Bibliography | 386 |

ABBREVIATIONS

| | |
|-----------|--|
| ADPC | Assistant Director for Policy Coordination |
| ADSO | Assistant Director for Special Operations |
| AFL | American Federation of Labor |
| ASG | Advanced Study Group |
| CFM | Council of Foreign Ministers |
| CIA | Central Intelligence Agency |
| CIG | Central Intelligence Group |
| CIO | Congress of Industrial Organizations |
| Cominform | Communist Information Bureau |
| Comintern | Communist International |
| DCI | Director of Central Intelligence |
| DDCI | Deputy Director of Central Intelligence |
| DDP | Deputy Director of Plans [Central Intelligence Agency] |
| DP | Displaced Person |
| ECA | Economic Cooperation Administration |
| ERP | European Recovery Program |
| FBI | Federal Bureau of Investigation |
| IAB | Intelligence Advisory Board |
| ICD | Information Control Division |
| ISG | Intelligence Survey Group |
| JCS | Joint Chiefs of Staff |
| JSPC | Joint Subsidiary Plans Committee |
| MGB | Soviet Ministry of State Security |
| NATO | North Atlantic Treaty Organisation |
| NCFE | National Committee for a Free Europe |
| NIA | National Intelligence Authority |
| NIAD | National Intelligence Authority Directive |
| NME | National Military Establishment |
| NSC | National Security Council |
| NSRB | National Security Resources Board |
| OCB | Operations Coordinating Board |
| OIR | Office of Intelligence and Research [State Department] |
| OMGUS | Office of Military Government, United States |
| OPC | Office of Policy Coordination |
| OSO | Office of Special Operations [Central Intelligence Group/Agency] |
| OSP | Office of Special Projects |
| OSS | Office of Strategic Services |
| OUN | Organisation of Ukrainian Nationalists |
| PCI | Italian Communist Party |
| PDF | Popular Democratic Front [Italian] |
| PPS | Policy Planning Staff [State Department] |
| PSB | Psychological Strategy Board |
| PWC | Subcommittee on Psychological Warfare |
| RFE | Radio Free Europe |

| | |
|--------|--|
| RIAS | Radio in the American Sector |
| RL | Radio Liberty |
| SANACC | State-Army-Navy-Air Force Coordinating Committee |
| SIS | Secret intelligence Service [British] |
| SPC | Special Policy Committee |
| SPD/S | Special Projects Division for the Soviet Union |
| SPG | Special Procedures Group [Central Intelligence Agency] |
| SSE | Special Studies and Evaluation |
| SSU | Strategic Services Unit [War Department] |
| SWNCC | State-War-Navy Coordinating Committee |
| UB | Polish Security Police |
| UPA | Ukrainian Insurgent Army |
| VFC | Volunteer Freedom Corps |
| VOA | Voice of America |
| WIN | Freedom and Independence Movement [Polish] |

NATIONAL SECURITY COUNCIL DIRECTIVES

NSC 1/1 “The Position of the United States with Respect to Italy,” 14 November, 1947

NSC 4 “Coordination of Foreign Information Measures,” 17 December, 1947

NSC 4-A “Psychological Operations,” 17 December, 1947

NSC 1/3 “Position of the United States With Respect to Italy in the Light of the Possibility of Communist Participation in the Government by Legal Means,” 8 March, 1948

NSC 7 “Position of the United States with Respect to Soviet-Directed World Communism,” 30 March, 1948

NSC 10 “Director of Special Studies,” 12 May, 1948

NSC 10/2 “Office of Special Projects,” 18 June, 1948

NSC 18 “The Attitude of this Government Toward Events in Yugoslavia,” 6 July, 1948

NSC 20 “Appraisal of the Degree and Character of Military Preparedness Required by the World Situation,” 10 July, 1948

NSC 20/1 “United States Objectives with Respect to Russia,” 18 August, 1948

NSC 20/2 “Factors Affecting the Nature of US Defense Arrangements in the Light of Soviet Policies,” 25 August, 1948

NSC 20/4 “U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security,” 23 November, 1948

NSC 18/2 “Economic Relations between the United States and Yugoslavia,” 17 February, 1949

NSC 18/4 “United States Policy Toward the Conflict Between the USSR and Yugoslavia,” 17 November, 1949

NSC 58/2 “United States Policy Toward the Soviet Satellite States in Eastern Europe,” 8 December, 1949

NSC 68, “United States Objectives and Programs for National Security,” 14 April, 1950

NSC 114/1 “Status and Timing of Current U.S. Programs for National Security,” 8 August, 1951

NSC 10/5 “Scope and Pace of Covert Operations,” 23 October, 1951

NSC 162/2 “Statement of Policy by the National Security Council on Basic National Security Policy”, 30 October, 1953

NSC 174 “United States Policy Toward the Soviet Satellites in Eastern Europe,” 11 December, 1953

INTRODUCTION

On 26 July, 1947, President Harry S. Truman signed into law the National Security Act of 1947 on board the C-54 presidential aircraft *Sacred Cow* at Washington National Airport. The Act had been rushed from Capitol Hill to receive the President's signature while he anxiously waited to attend to his dying mother in his hometown of Independence, Missouri. Notwithstanding the tragic personal circumstances for President Truman, this was a singular moment of unprecedented governmental reorganisation in the history of the American Republic. The National Security Act marked Washington's attempt to meet the challenges posed by its pre-eminent position on the world stage following the devastation of the Second World War.

At the time the greatest importance was attached to the unification of the Departments of War and the Navy into the National Military Establishment (NME), to be headed by a Secretary of Defense.¹ This reflected the arduous and often controversial road towards a merger of three military services. But the National Security Act was also significant for creating the National Security Council (NSC) and a fledgling peacetime intelligence organisation, the Central Intelligence Agency (CIA). The NSC was established to provide a trans-departmental national forum for the first time in peace for the President and his cabinet officers and senior advisers to consider national security and foreign policy matters. Meanwhile the CIA's role was to evaluate and disseminate intelligence centrally from the departmental intelligence agencies to assist the NSC in the formulation of U.S. foreign policy and objectives.

Writing in 1977, Daniel Yergin identified the creation of the National Security State in the United States and the beginning of the Cold War.² Yergin and much of the scholarship that has followed recognised that the full scale reorganisation of the government apparatus in 1947 was a seminal moment, marking American attempts to meet the challenges posed in a peacetime environment, but one framed by Cold War. Emphasis was placed on the military aspects of the reorganisation in light of new definitions of national security interests that demanded a state of military readiness, as well as American politico-economic initiatives in Western Europe.³

The scale of this effort was indeed unprecedented. It comprised the unification (or at least coordination) of the military services, the mobilisation of peacetime intelligence, the expanded role of the State Department and creation of the NSC forum to develop national security policy. However, the inauguration of the National Security State did not necessarily mark the emergence of a governmental system able to overcome all of the challenges of the post-war world. This was particularly the case for the United States in the early Cold War as it struggled to develop a coherent basis for its policies, its operations, and its national security objectives. Washington struggled to develop foreign policy on a unified, national basis partly because of the entrenchment of internal divisions within the government bureaucracy. Although the drafters of the National Security Act hoped to ameliorate administrative tensions and parochial attitudes in one organisational sweep, such attitudes proved intrinsic to the system and therefore persisted.

The first goal of this thesis, therefore, is to examine the tensions prevalent within the American system, despite the creation of the National Security State in 1947. Disorder is a problem common to all bureaucracies, to a greater or lesser extent, as a certain amount of “self-interest” will inevitably generate friction within competitive structures. Post-war Washington was no different, with officials often unable to see past the horizon of their own departments, their own sections, and their own egos. But the unprecedented scale and ambition of the endeavour to reorganise the government apparatus in 1947 meant that such divisions were greatly magnified. Furthermore, at the beginning of the Cold War the stakes were extremely high in the international context. This intensified the need for Washington to overcome internal rifts so that it could meet the challenges on a unified organisational basis posed externally by the Soviet Union. The intensity under which the government bureaucracy laboured heightened divisions and rivalries around Washington.

However, this thesis does not simply aim to illuminate systemic disorder. It hopes to demonstrate the ramifications of this upon the processes and delivery of American foreign policy at the beginning of the Cold War. For the National Security State, as it emerged, did not simply constitute a framework of agencies and departments from which methods were decided upon how to take up and “win” the Cold War. What developed from 1948 onwards was an organisational attempt to create a set of national policies to overcome the challenge posed by Russian power and influence. This amounted to more than the development of militarised national security policies designed to establish preponderant American power over the Soviet adversary. It also involved projects and operations well beyond the scope of U.S. initiatives to “contain” Soviet expansion by

stabilising American interests in Western Europe. Supplementing these fundamental aspects of U.S. foreign policy in the late 1940s was an attempt to meet the challenges posed by Russian power within the Soviet orbit itself, by a range of psychological, political, economic, diplomatic and paramilitary methods.

This thesis therefore does not propose final answers for what American policies sought to achieve in the early Cold War. As will be seen, such clarification was never achieved by American officials. Instead what emerged were certain specific aims to destabilise regimes within the Soviet bloc territory. This resulted in the sanction and adoption of various activities, although overall objectives and methodologies remained ambiguous as they were developed at the policy level.

This raises important questions over a prevailing tendency in the scholarship of the period to impart a sense of coherence to American actions against the Soviet Union in the early Cold War.⁴ Ideological projections of a battle against Soviet tyranny led to politico-economic and military steps to establish a Western European system resistant to Soviet-communist expansion. But beyond this, containment was not adopted as a global strategy to mobilise all the elements of the American government in tandem with private groups, to retract and ultimately overthrow Soviet power.

The central focus of this thesis therefore is to analyse the dynamic that existed between the disunited administration under President Truman and its development of Cold War policies against the Soviet Union and the “satellite states” of Eastern Europe. The

following pages will contend that bureaucratic wrangling substantially undermined the formulation of national policies and the implementation of coordinated operations, a factor often overlooked by historians who can retrospectively imbue a misleading sense of unity upon the processes of foreign policy making. It is not necessarily surprising that bureaucratic divisions resulted from the effort to forge a new system and set of policies to undertake the Cold War, given that American bureaucrats and policymakers were not working from an existing template. But more importantly, the inseparable interaction of the “disorganisation” and the crafting of policies resulted in a fundamental failure on the part of the Truman administration to develop a coherent strategy towards the Soviet bloc in the early Cold War. This constituted a significant failure to define clear and realisable objectives to direct the American conduct of the Cold War, a shortcoming that played its part in sustaining bipolar antagonisms for many years to come.

The central premise of this study is that disorder ultimately prevailed over design. This occurred on two levels. Despite the achievements embodied in the National Security Act, the bureaucracy was fragmented and unable to overcome narrow interests for the national benefit. Furthermore, this had a direct bearing on the failure to design a strategy for winning, or at least effectively participating in an offensive Cold War against the Soviet Union. In other words, Washington failed to resolve both its internal and external Cold Wars.

This notion of disorder should not ignore or negate the efforts made by the Truman administration in the late 1940s to unify a set of methods and objectives in its pursuit of

Cold War victory. Attempts were made to clarify and orchestrate the American approach, particularly through the State Department's Policy Planning Staff (PPS) under the direction of Russian specialist George F. Kennan in 1948-9. Moreover, it certainly seems that the possibility did exist to define a viable strategy against the Soviet bloc. But efforts like these invariably produced greater internal tension rather than resolution, meaning that a clear definition for U.S. foreign policy in the Cold War was never fully developed or adopted. Without this guiding framework, the American approach to the Soviet bloc was as fragmented as the bureaucracy that produced it.

Although the United States struggled to develop a unifying concept of American objectives towards the Soviet Union, the National Security State did organise itself to pursue methods for undermining the Soviet adversary. This thesis concurs with the body of scholarship that has effectively demonstrated that the American politico-economic and military approach to Western Europe in the early Cold War years was planned and implemented in a fairly clear and organised fashion. This was in stark contrast to its programmes for the Soviet bloc countries. In fact, the pursuit of its Western European policies limited and ultimately undermined the successful attainment of its aspirations in the east. The successful "containment" of Russian expansion at the edge of the "iron curtain," or rather the attainment of U.S. objectives in pulling together a western bloc under political, economic and military ties, stimulated a parallel effort led by Moscow to establish an eastern bloc. The partition of Germany was at the geographic and strategic core of east-west divisions, generating a new level of Cold War antagonism. Once the

bipolar schism was established it became untenable for the Truman administration to directly influence affairs within the Soviet bloc by methods short of war.

The desire to project U.S. values on the entire European continent, manifest since the Atlantic Charter of 1941 and the Yalta “Declaration of Liberated Europe,” continued to influence the attitudes and aspirations of American policymakers at the end of the Second World War. As Eduard Mark has effectively demonstrated, the importance of Eastern Europe to Washington was “derivative rather than intrinsic.”⁵ Despite American impotence in Eastern Europe and its relative geopolitical insignificance to the United States, the Cold War was rapidly defined in zero-sum terms. Despite the totality of the politico-ideological clash, it could not be settled by military power.⁶ Therefore in the late 1940s Washington rationalised its desire to “liberate” countries under predominant Soviet influence through a surrogate range of limited measures brought together under the bracket of “political warfare.”⁷

This study utilises the official definition of political warfare, as it was designated in 1948 within the celebrated document NSC 10/2 at the heart of the U.S. Cold War political warfare programme:

[...] such operations shall include any covert activities related to: propaganda; economic warfare; preventive direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups, and support of indigenous anti-communist elements in threatened countries of the free world.

Washington understood political warfare to encompass a wide range of psychological, political, economic, and paramilitary methods to destabilise the Soviet bloc. The effort

was predicated on the condition that activities conducted or directed by the American government would be “covert” to conceal U.S. responsibility for them.⁸

Senior figures in the Truman administration including Secretary of State George Marshall regarded the ability to “plausibly disclaim” American links to political warfare as a fundamental guideline to avoid ratcheting up Cold War tensions with Stalinist Russia. This was crucial to avoid a direct conflict with the Soviet Union over an area that was deemed to be non-vital to American interests. On the other hand “plausible denial” was a decisive limiting factor as it undercut the potential success of the “liberation” campaign waged in a region under Soviet hegemony. The National Security State could therefore pursue various methods and demonstrate its power, as well as the limitations of that power. But this was undertaken without a clear resolution of its objectives or a strategy to realise those goals. Political warfare did not therefore unify American capabilities and objectives but instead left a legacy of operations for future administrations.

This study acknowledges the vast range of scholarship that has identified the development of the National Security State and the strategy of containment to defend American interests in the west at the beginning of the Cold War.⁹ In particular, John Lewis Gaddis’s *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* and *We Now Know: Rethinking Cold War History* as well as Melvyn Leffler’s *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* deserve recognition as pre-eminent histories of the period. These studies have approached the early Cold War years from the perspective of

“grand strategy.” This has allowed Gaddis, Leffler and others to engage major thematic approaches to the Cold War and undertake vast and authoritative examinations of the period. However, it should also be noted that such an approach tends to de-emphasise the nuances and intricacies of foreign policy making. In this sense, exploring certain aspects of the period on the “micro” level holds certain advantages.

Indeed it is striking that the “traditional” histories of the Cold War, including the works of both Gaddis and Leffler, overwhelmingly minimise or ignore completely Washington’s attempts to challenge communist power inside the Soviet bloc in the postwar years. Perhaps one reason for this is that the U.S. government itself struggled to clarify its own position on “liberation/rollback” during the presidencies of Truman and Eisenhower. Historical focus on “grand strategy” emphasises broad and distinctive strategies based on clearly defined policy objectives. This does not sit easily with such an elusive and ambiguous feature of the American experience in the early Cold War. This study therefore hopes to modify the notion of a guiding sense of coherence, sometimes implicit and other times explicit, that has prevailed within the body of “grand strategy” analyses relating to American actions in Europe in the late 1940s.

Furthermore, identifying Washington’s sanction and initiation of aggressive designs to challenge communist and Soviet power beyond the west makes problematic many of the inferences contained within “traditional” Cold War narratives. For instance Gaddis’s notion that “*as long as Stalin was running the Soviet Union a cold war was unavoidable*” tends to imply that a reactive and defensive quality permeated American actions.¹⁰

Similarly, Leffler argues that American policies were motivated primarily by the “specter of Soviet/Communist expansion” into Western Europe.¹¹ According to this view, Washington perceived Stalin as an inherent (if cautious) aggressor, compelling Truman and his advisers to respond to protect vital American geopolitical and ideological interests in the west.

The traditional narrative has focused on the military and political threat to Western Europe posed by Soviet power in the east. It did not lie within the boundaries of this study to explore Soviet sources to address the question of Stalinist expansionist designs on the west in the postwar years. It is undoubtedly true that the American perception of the Soviet threat to Western Europe was a primary motivating factor behind U.S. actions in the west in these years. Nonetheless, effort is made in this thesis to redress the imbalance of the traditional historical narrative by *also* exploring how the American aspiration to confront Soviet hegemony in the east, downplayed by Gaddis and Leffler, sat in tension and contradiction with U.S. “containment” policies towards the west.

In so-doing, no attempt is made in these pages to apportion blame for causing the Cold War on either side. In general, the historical debates between the orthodox and revisionist camps have in recent years moved beyond the narrow practice of what Yergin describes as “onus-shifting.”¹² For example, as Charles Maier has noted, it is important to differentiate between an acknowledgment that one consequence of the Marshall Plan was to accelerate the bipolar division of Europe on the one hand, and the conclusion, on the

other, that the United States was therefore primarily to blame for causing the Cold War. ERP confirmed rather than caused the schism between the superpowers.¹³

This thesis instead aims to contribute to a re-evaluation of the dynamics of the American approach to the Cold War between 1945 and 1950. It hopes to demonstrate that, while U.S. policies were not simply defensive, there was no clear or viable U.S. strategy to “win” the Cold War at its genesis (although this does not by implication mean that American policies were intrinsically “tragic”).¹⁴ Conversely, it aims to refute triumphalist notions of American “victory” posited in the 1990s as the shockwaves of the collapse of the Soviet Union still reverberated.¹⁵ Advancing more nuanced understandings of the events that defined the origins is a valuable and timely exercise, particularly now that there is sufficient distance from the end of the Cold War to judge in a more dispassionate fashion.

The role of bureaucratic structures and the contingent influence of individuals- presidents, bureaucrats, legislators and private interest groups- is highlighted in terms of both shaping and invariably undermining the pursuit and successful application of a coherent foreign policy. This builds upon the fresh contribution made by Amy Zegart’s *Flawed by Design: The Evolution of the CIA, JCS and NSC*.¹⁶ Zegart locates the manifestation of the CIA’s “flawed” design in its inability to act as a centralised coordinator and collector of intelligence. This study develops this concept to also examine how the place of the intelligence agencies within the bureaucracy impacted upon

the development and implementation of an offensive covert political warfare campaign against the Soviet bloc.

Less emphasis is placed in the following pages upon the fundamental importance of the shortcomings of the bureaucratic architecture of the National Security State than is to be found in Zegart's work. After all, improvements made in the early 1950s to the organisation of the political warfare campaign did little to ameliorate the overall success of the programme. This study therefore moves beyond Zegart's hypothesis by emphasising the primary significance of strategic disorder as the root source of the problem. Ultimately, strategic incoherence surrounding American aims towards the Soviet bloc, rather than the perceptible weaknesses in the organisation of the campaign, was the pivotal factor that undermined its potential to succeed.

An emerging group of academics has begun to delineate a broader conception of American actions beyond the containment strategy for Western Europe, of which the most salient to this study have been the recent works by Zegart, Gregory Mitrovich and Sarah-Jane Corke.¹⁷ The recent scholarship has moved past the parameters of traditional history to chart several under-explored terrains. This includes the place of culture and ideology in the Cold War,¹⁸ the role of intelligence as a component of peacetime foreign policy,¹⁹ and the development of an aggressive "State-private" campaign of covert operations to challenge the Soviet Union.²⁰ Accordingly, this work seeks to both compliment recent historical examinations in the area of political warfare but also to interrogate them. By building on these bodies of work a broader interpretation can be

advanced to underscore the nuances embodied in the notion of systemic and strategic disorder.

In particular this thesis critiques the notion that the Policy Planning Staff's George Kennan was at the centre of a coherent approach that successfully unified American capabilities, methodologies and objectives.²¹ Instead the argument is put forward that a prevailing destabilising dynamic existed between the bureaucracy, including officials within it like Kennan, and the policies and strategies that were produced. This raises important questions over the place of political warfare in U.S. strategy and the notion of a coherent and extensive campaign to “roll back” or undermine Soviet power that has recently been heralded by some historians.²²

Instead, U.S. policies were inconsistent and contradictory. Marc Trachtenberg discerns that “one is struck by how little was actually done and by how long it took to implement a “rollback” policy.”²³ This points to the fact that there were limits to American power in the late 1940s. Moreover, in relation to Eastern Europe Washington was acting from a position of fundamental weakness. These difficulties were exacerbated because the policies developed in the early Cold War were never provided with an overarching unifying strategic framework. Instead of an overall policy- whether it is labelled “containment” or “liberation/rollback” or “Titoism” or any other appellation- there were various policy *impulses* that ranged in nature from defensive to aggressive and in motivation from economic through geopolitical to ideological. These impulses were in a perpetual state of flux and reaction, constantly shifting and developing as they were

affected and nurtured by internal and external factors. The various policy conceptions and impulses were at any given time apportioned ranging degrees of emphasis by different individuals, offices and departments within the government. The prevailing dynamic was a swirling cocktail of divergent interests and forces. This effectively meant that no coherent strategy could emerge and take primacy over the multiple policy impulses at hand within the government bureaucracy- and increasingly within the private sphere.

In making these contentions this study hopes to engage with Sarah-Jane Corke's recent publication titled *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA*. Corke rightly identifies "the gap in the historiography" in which "traditional" histories of the Cold War "have downplayed the persistence of American interventionism behind the Iron Curtain." In her effort to address this deficiency, Corke convincingly argues that the failure of U.S. covert operations in the early Cold War was based upon "the persistent inability of the administration as a whole to reconcile policy and operations successfully and to agree on a consistent course of action for waging the Cold War."²⁴

This important observation opens up the possibility for further interrogation, in order to explain more fully why the U.S. strategy towards the Soviet bloc was so fundamentally undermined during the Truman years and beyond. This is an important endeavour that deserves more attention. For example, recognising that Washington was unable to resolve its basic strategic aims in the early Cold War significantly modifies Leffler's assertion that the Truman administration wisely developed "sophisticated strategies" to "attract the

Soviet satellites westward” over the long term.²⁵ Examination of the confused and inconsistent approach actually undertaken by Washington towards the east disproves the hypothesis that the U.S. planned to draw Soviet bloc nations into its own orbit over the long-term by undefined forces of “magnetism.” Such a notion of prescience and strategic coherence is based not upon evidence of actual U.S. policies and practices of the period but on hindsight and our knowledge today that the Soviet Union would eventually collapse.

Perhaps more importantly, this thesis also attempts to move beyond Corke’s analysis by emphasising the significance of the failure of U.S. policymakers to reconcile divergent American objectives and capabilities in Western and Eastern Europe and the impact that this had on the political warfare programme. The persistent failure to accept and link the two regions resulted in Washington’s inability to develop a unified policy that integrated these inter-related elements. While a policy of “liberation” was not of direct relevance to Western Europe, its feasibility and necessity was intimately linked to the context of Western European policy. American policies towards the Soviet bloc were likewise intimately connected to the approach towards Western Europe even if they were not themselves intrinsic to the programme of “containment.” Washington’s failure to adequately define and unify its basic strategic aims and capabilities on a pan-European basis undermined U.S. actions in the broader Cold War struggle. Its prioritisation of Western Europe from the outset played a major part in undermining later attempts to link the Western European approach to a viable strategy for the Soviet bloc.

To establish this approach this thesis has incorporated material from a number of archival sources from the United States as well as recognising the vast array of secondary sources focusing on the early Cold War period. Of particular value for research has been the availability of archival documentation at the Truman Presidential Library in Independence, Missouri and the National Archives at College Park, Maryland. The valuable source of archival evidence has made a major contribution in the effort to illuminate the nuances and inner-workings at hand as the Truman administration formulated its policies and approaches to the Cold War. This is also supplemented by the numerous published collections of primary documentation from the early Cold War as well as official declassified investigations and reports now available to the historian.²⁶

The richest well of primary documentation to inform this study has been the numerous papers, memoranda and internal government communiqués available in the archives and in several publications including the *Foreign Relations of the United States* series. A fairly large body of these documents has both survived and been declassified to make them available to historical research, particularly by the Department of State. However limitations must also be recognised with this type of evidence, particularly in relation to government papers and directives. For although such documents provide insight as statements of “policy” they do not necessarily tell the whole story within the government apparatus. For instance the record of a government directive in isolation does not divulge the process of its development. It also sheds no light on the action of executing the policy

in the field. Therefore it is crucial for the historian to investigate whether such documents were indicative of broader, trans-departmental interests and whether stated capabilities, objectives and intentions were successfully and consistently implemented by the operational branches of the government.

This problem is somewhat counterbalanced by the availability of internal communiqués and memoranda between Truman administration bureaucrats and policymakers. This helps to shed light on the biases and special interests of officials and departments that invariably shaped the process of developing policy positions towards both Eastern and Western Europe in the late 1940s. This source of documentation proved particularly insightful in revealing the motivating factors and differences of opinion that lay behind the twists and turns that occurred during the long bureaucratic turf wars between the Departments of State and Defense and the CIA over the control of a new psychological/political warfare capability.

This notwithstanding, obstacles continue to face and at times frustrate researchers of the early Cold War period. The most glaring deficiency is found in the primary documentation concerning the operational arms of the executive branch of the U.S. government. This was particularly problematic when investigating the activities of the Office of Policy Coordination (OPC), America's first agency specifically created to undertake a broad spectrum of peacetime political warfare activities abroad. It is not clear to what extent documentation on the implementation of the political warfare programme in the late 1940s exists but is still being withheld within the vaults at Langley, or has

already been destroyed long ago by prudent overseers of the intelligence world. The habitual problem for the researcher, of gaining access to classified documents, is in this instance sometimes also compounded by the fact that much of the evidence of the “secret war” was never originally recorded in written form. As a result official written memoranda detailing the actions and opinions of agencies like OPC are unfortunately scarce.

This difficulty can be overcome to some extent by supplementing official records with the valuable reservoir of oral histories and recollections recorded by many of the principals themselves. These are collected in the archives as well as in numerous autobiographies and secondary accounts of the period.²⁷ While it is recognised that over-reliance should not be placed on first-person recollections, the biographies and oral histories of numerous figures involved in the development of the political warfare programme added valuable insight and colour to this study and helped to fill in many of the gaps left by the official primary documentation.

This work follows a general chronological progression although there are thematic overlaps in the narrative. There is one exception to the chronological order. Chapters 4 and 5 are constructed to consider different thematic elements of the same period spanning mid-1948 to mid-1950. The study has been structured to navigate a dense historical period, where possible, in a coherent and linear fashion. This has been done with great

care taken not to impose a misleading interpretive sense of order on the numerous overlapping and intersecting events and factors that litter the early Cold War period.

Chapter 1 looks at the origins of political warfare within the development of a peacetime intelligence system in the United States. The chapter is divided into 2 parts. Part 1 examines the creation of the Central Intelligence Group, demonstrating that bureaucratic rather than strategic factors overshadowed its development and a political warfare design. Part 2 explores the intentions behind the drafting of the National Security Act of 1947 and the establishment of the National Security State. While there was no strategic plan to mobilise political warfare against communism in Europe at this stage, the creation of the National Security State was salient in facilitating this capability later.

Chapter 2 explores the factors behind the Truman administration's shift towards a peacetime covert psychological warfare capability from the summer to the end of 1947. The development of the European Recovery Program (ERP) and Soviet launch of the Communist Information Bureau (Cominform) were pivotal to the demand for covert operations in Western Europe. Internal bureaucratic disputes rather than the Soviet adversary are shown to have undermined the formal launch of a peacetime covert psychological warfare programme.

Chapter 3 focuses on the administrative conflict that undermined a coherent and unified bureaucratic approach to the development of the political warfare capability between January and June 1948. U.S. approaches to the strategic containment of Western Europe

were undertaken in France and Italy, alongside Congressional approval and commencement of ERP contrasted with the lack of a strategy towards the Soviet bloc. The emergence of four primary actors within the bureaucracy undercut the refinement of a coherent strategic approach through the implementation of covert political warfare. This section looks in detail at the minutiae of the development of NSC 10/2 to demonstrate that it marked an ineffective bureaucratic compromise that mobilised capabilities but failed to resolve strategic goals and approaches.

Chapter 4 examines the development of U.S. Soviet bloc policy from mid-1948 to mid-1950. The central premise is that growing disunity within the bureaucracy resulted in the formulation of contradictory policies under NSC 20/4 that left strategic goals ambiguous and inconsistent. While sections of the government attempted to encompass the newly created Office of Policy Coordination into its plans, the main thrust of policy continued to prioritise strategic goals in Western Europe through the creation of positions of strength. This undercut a commitment either to “liberate” Eastern Europe or to adopt alternative methods with or without the use of political warfare to pursue the unification of Europe.

Chapter 5 explores the divergence of American policies towards the Soviet bloc and the implementation of political warfare operations between mid-1948 and mid-1950. The key contention is that the failure to devise a strategic basis for U.S. actions, alongside inadequate machinery to oversee OPC, resulted in the non-strategic conduct of a political warfare offensive at the operational level. From this situation wide discrepancies emerged

between the stated policy objectives formulated at the policy level in Washington and the goals of Cold War activists on the front line of the Cold War. While the space opened up for the launch of provocative and aggressive missions against regimes within Eastern Europe and the Soviet Union, the effort was not coordinated within the bureaucracy and most importantly this was not tied to a viable strategy demarcating how it could be successfully accomplished.

Chapter 6 discusses the legacy of bureaucratic and strategic disorder beyond 1950.

While the political warfare capability was reinforced and expanded by the Korean War and NSC 68, its strategic alignment with coherent policy aims towards the Soviet bloc was not forthcoming. Despite organisational and strategic efforts between 1950 and 1953 to clarify U.S. aims and capabilities in the Cold War, the lack of a resolution left a legacy of disorder for the incoming Republican administration.

Endnotes

¹ The National Security Act was amended on 10 August, 1949, and the National Military Establishment was then renamed the Department of Defense. For clarity this study predominantly refers to the Department of Defense.

² Daniel Yergin, *Shattered Peace: The Origins of the Cold War and the National Security State* (Boston: Houghton Mifflin, 1977).

³ The most important work to follow Yergin on the national security state and military aspects of a national security strategy is Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992).

⁴ The highest profile historian who conveys an overarching sense of coherence in American policies is John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 2005), *idem.*, *We Now Know: Rethinking Cold War History* (Oxford: Clarendon Press, 1997). Also see Bennet Kovrig, *Of Walls and Bridges: The United States and Eastern Europe* (London; New York: New York University Press, 1991).

⁵ Eduard Mark, "American Policy Toward Eastern Europe and the Origins of the Cold War, 1941-46: An Alternative Explanation," *Journal of American History*, Vol. 68 No. 2 (September 1981), 332.

⁶ Mario Del Pero, "The United States and "Psychological Warfare" in Italy, 1948-1955," *The Journal of American History*, Vol. 87, No. 4 (March 2001), 1305.

⁷ Political warfare was referred to at different times by Washington as "psychological warfare," "political warfare" and "covert action" for varying reasons that are discussed at relevant stages of the thesis. The term "political warfare" is used throughout, but where appropriate the different nomenclatures ascribed by the U.S. Government are acknowledged.

⁸ Political warfare did not include such actions as "armed conflict by recognized military forces, espionage, counter-espionage, and cover and deception for military operations." Accordingly, this study differentiates between military action and "secret intelligence" (espionage and counter-espionage) on the one hand and political warfare on the other. NSC 10/2 "National Security Council Directive on Office of Special Projects", 18 June, 1948, Michael Warner (ed.), *CIA Cold War Records: The CIA under Harry Truman* (Washington, DC: History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 1994), 213-6. For a discussion of intelligence terminology, see Len Scott, "Secret Intelligence, Covert Action and Clandestine Diplomacy," *Intelligence and National Security*, Vol. 19, No. 2 (Summer 2004).

⁹ The most prominent of these historical works relevant to this study are Carolyn Woods Eisenberg, *Drawing the Line: The American Decision to Divide Germany, 1944-1949* (Cambridge: Cambridge University Press, 1996). Gaddis, *Strategies of Containment*, *idem.*, *We Now Know*, Lloyd Gardner, *Architects of Illusion: Men and Ideas in American Foreign Policy, 1941-1949* (Chicago: Quadrangle, 1970), Michael Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945-1954* (Cambridge: Cambridge University Press, 1998), Walter Lafeber, *America, Russia, and the Cold War, 1945-1992* (London; New York: McGraw-Hill, 1997), Leffler, *A Preponderance of Power*, Thomas Paterson, *Meeting the Communist Threat: Truman to Reagan* (Oxford; New York: Oxford University Press, 1988), William Appleman Williams, *The Tragedy of American Diplomacy* (New York: Dell, 1972), Yergin, *Shattered Peace*, and Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS and NSC* (Stanford: Stanford University Press, 1999).

¹⁰ Gaddis, *We Now Know*, 292 (italics in original).

¹¹ Leffler, *A Preponderance of Power*, 497-8.

¹² Yergin, *Shattered Peace*, 6. For historical discussions of the orthodox-revisionist debate see Sarah-Jane Corke, "History, Historian and the Naming of Foreign Policy; A Postmodern Reflection on American Strategic Thinking during the Truman Administration," *Intelligence and National Security*, Vol. 16, No. 3 (Autumn 2001), Michael Cox and Caroline Kennedy-Pipe, "The Tragedy of American Diplomacy? Rethinking the Marshall Plan," *Journal of Cold War Studies*, Vol. 7, No. 1 (Winter 2005), Robert James Maddox, *The New Left and the Origins of the Cold War* (Princeton: Princeton University Press, 1973), Charles S. Maier, "The Marshall Plan and the Division of Europe," *Journal of Cold War Studies*, Vol. 7, No. 1 (Winter 2005), Mark, "American Policy Toward Eastern Europe."

¹³ Maier, "The Marshall Plan and the Division of Europe," 168, 173.

¹⁴ See Laszlo Borhi, "Was American Diplomacy Really Tragic?" *Journal of Cold War Studies*, Vol. 7, No. 1 (Winter 2005), and William Appleman Williams, *The Tragedy of American Diplomacy* (New York: Dell, 1972).

¹⁵ For more on this see Joshua Botts, "'Nothing to Seek and ... Nothing to Defend': George F. Kennan's Core Values and American Foreign Policy, 1938-1993," *Diplomatic History*, Vol. 30, No. 5 (November 2006), 864.

¹⁶ Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS and NSC* (Stanford: Stanford University Press, 1999).

¹⁷ Zegart, *Flawed by Design*, Gregory Mitrovich, *Undermining the Kremlin: America's Strategy to Subvert the Soviet Bloc, 1947-1956* (London; Ithaca: Cornell University Press, 2000), and Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008). For a review of the recent scholarship, see Corke, "History, Historian and the Naming of Foreign Policy."

¹⁸ On the cultural Cold War see Walter L. Hixson *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961* (Basingstoke: Macmillan, 1997), Frances Stonor Saunders, *Who Paid the Piper? The CIA and the Cultural Cold War* (London: Granta Books, 1999), Giles Scott-Smith, Giles Scott-Smith, *The Politics of Apolitical Culture: The Congress for Cultural Freedom, the CIA and Postwar American Hegemony* (London: Routledge, 2002), *idem.*, "The 'Masterpieces of the Twentieth Century' Festival and the Congress for Cultural Freedom: Origins and Consolidation 1947-52," *Intelligence and National Security*, Vol. 15, No. 1 (Spring 2000), Michael Warner, "Origins of the Congress for Cultural Freedom, 1949-50," *Studies in Intelligence*, Vol. 38, No. 5 (1995), and Hugh Wilford, "Playing the CIA's Tune? The New Leader and the Cultural Cold War," *Diplomatic History*, Vol. 27, No. 1 (January 2003).

¹⁹ On the role of intelligence see Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence* (London: John Murray, 2002), Christopher Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (London: Harper Collins, 1996), David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Lawrence: University Press of Kansas, 2005), Roy Godson, *Dirty Tricks or Trump Cards: US Covert Action and Counterintelligence* (New Brunswick: Transaction Publishers, 2001), Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), Rhodri Jeffreys-Jones, *The CIA and American Democracy* (London; New Haven: Yale University Press, 1989), *idem.*, "Why was the CIA Established in 1947?," Rhodri Jeffreys-Jones and Christopher Andrew (eds.), *Eternal Vigilance?: 50 Years of the CIA* (London: Frank Cass, 1997), John Ranelagh, *The Agency: The Rise and Decline of the CIA* (Sevenoaks: Sceptre, 1988), David F. Rudgers, *Creating the Secret State: The Origins of the Central Intelligence Agency, 1943-1947* (Lawrence: University Press of Kansas, 2000), Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (London: Deutsch, 1983), Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkley: University of California Press, 1981), L. Britt Snider, *The Agency and the Hill: CIA's Relationship with Congress, 1946-2004* (Washington, D.C.: Center for the Study of Intelligence, 2008), Gregory F. Treverton, *The CIA and the Limits of American Intervention in the Postwar World* (London: Tauris, 1988), and Thomas F. Troy,

Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency (Frederick: Aletheia Books, 1981).

²⁰ For more on the policies and operations for an offensive campaign, including accounts of specific operations against the Soviet bloc, see Richard J. Aldrich (ed.), *British Intelligence, Strategy and the Cold War, 1945-1951* (London: Routledge, 1992), Trevor Barnes, "The Secret Cold War: The C.I.A. and American Foreign Policy in Europe, 1946-1956," *The Historical Journal*, Part I, Vol. 24, No. 2 (June 1981), Part II, Vol. 25, No. 3 (September 1985), Nicholas Bethell, *The Great Betrayal: The Untold Story of Kim Philby's Biggest Coup* (London: Hodder and Stoughton, 1948), Jeffrey Burds, *The Early Cold War in Soviet West Ukraine, 1944-1948* (Pittsburgh: University of Pittsburgh Center for Russian and East European Studies, 2001), Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: The Dial Press/ James Wade, 1977), Michael W. Dravis, "Storming Fortress Albania: American Covert Operations in Microcosm, 1949-54," *Intelligence and National Security*, Vol. 7, No. 4 (1992), Peter Grose, *Operation Rollback: America's Secret War Behind the Iron Curtain* (Boston: Houghton Mifflin, 2000), Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), Beatrice Heuser, "Covert Action within British and American Concepts of Containment, 1948-1951," *idem.*, *Western 'Containment' Policies in the Cold War: The Yugoslav Case, 1948-53* (London; New York: Routledge, 1989), Stephen F. Knott, *Secret and Sanctioned: Covert Operations and the American Presidency* (Oxford : Oxford University Press, 1996), W. Scott Lucas, "Campaigns of Truth: The Psychological Strategy Board and American Ideology, 1951-1953," *The International History Review*, Vol. 18, No. 2 (May 1996), *idem.*, *Freedom's War: The US Crusade against the Soviet Union 1945-1956* (Manchester: Manchester University Press, 1999), *idem.*, "The Myth of Leadership: Dwight Eisenhower and the Quest for Liberation", in Constantine Pagedas and Thomas Otte (eds.), *Personalities, War and Diplomacy* (1997), W. Scott Lucas and Kaeten Mistry, "Illusions of Coherence: US Strategy and Political Warfare in the Early Cold War," (unpublished article), Gregory Mitrovich, *Undermining the Kremlin: America's Strategy to Subvert the Soviet Bloc, 1947-1956* (London; Ithaca: Cornell University Press, 2000), John Prados, *Presidents' Secret Wars: CIA and Pentagon Covert Operations from World War II through Iranscam* (New York: W. Morrow, 1986), David F. Rudgers, "The Origins of Covert Action," *Journal of Contemporary History*, Vol. 35, No. 2 (2000), Christopher Simpson, *Blowback: America's Recruitment of Nazis and its Effects on the Cold War* (New York: Weidenfeld and Nicolson, 1988), Michael Warner, "The CIA's Office of Policy Coordination: From NSC 10/2 to NSC 68," *Intelligence and Counterintelligence*, Vol. 11, No. 2 (1998), and Robin W. Winks, *Cloak and Gown* (New York: William Morrow, 1987).

²¹ Several historians have recently examined the role played by Kennan and his attempts to introduce political warfare as an integral component of U.S. policy. See Sarah-Jane Corke, "George Kennan and the Inauguration of Political Warfare," *Journal of Conflict Studies*, Vol. 26, No. 1 (Summer 2006), David Mayers, *George F. Kennan and the Dilemmas of US Foreign Policy* (Oxford; New York: Oxford University Press, 1988), Wilson D. Miscamble, *George F. Kennan and the Making of American Foreign Policy, 1947-1950* (Oxford; Princeton: Princeton University Press, 1992), and Anders Stephanson, *Kennan and the Art of Foreign Policy* (London; Cambridge, Mass.: Harvard University Press, 1989).

²² For instance see Burds, *The Early Cold War in Soviet West Ukraine*, Grose, *Operation Rollback* and Mitrovich, *Undermining the Kremlin*. Sarah-Jane Corke's work, published this year, is a valuable first step towards challenging the notion of coherence in US policies against the Soviet bloc, although her hypothesis underplays the crucial link between Western and Eastern Europe to highlight the central strategic flaw of "rollback" and relies excessively on a purported "Donovan Tradition" to explain the rise of OPC. See Corke, *US Covert Operations*.

²³ Marc Trachtenberg, "The Marshall Plan as Tragedy," *Journal of Cold War Studies*, Vol. 7, No. 1 (Winter 2005), 136-7.

²⁴ Corke, *US Covert Operations*, 4.

²⁵ Leffler, *A Preponderance of Power*, 501.

²⁶ For collections of government documentation and records see *Declassified Documents Reference System* (hereafter cited as *DDRS*) (Woodbridge, 1994). (Microfiche), Thomas Etzold and John Lewis Gaddis (eds.), *Containment: Documents on American Policy and Strategy, 1945-50* (New York; Guildford: Columbia University Press, 1978), Giles D. Harlow and George C. Maerz, (eds.), *Measures Short of War: The George F. Kennan Lectures at the National War College 1946-47* (Washington, DC: National Defense University Press, 1991), Anna Kasten Nelson (ed.), *The State Department Policy Planning Staff Papers, Volumes I-III, 1947-1949* (New York: Garland, 1983), United States Department of State, *Foreign Relations of the United States* (hereafter cited as *FRUS*), and Michael Warner (ed.), *CIA Cold War Records: The CIA under Harry Truman* (Washington, DC: History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 1994).

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²⁷ The Truman Presidential Library in Independence, Missouri has an excellent collection of oral histories several of which were extremely useful sources of information for this thesis. The most valuable group of biographies and secondary materials to this study providing first-hand accounts of the early Cold War period are Dean Acheson, *Present at the Creation: My Years in the State Department* (London: Hamilton, 1970), Richard M. Bissell with Jonathan E. Lewis and Frances T. Pudlo, *Reflections of a Cold Warrior: From Yalta to the Bay of Pigs* (New Haven: Yale University Press, 1996), Charles Bohlen, *Witness to History, 1929-1969* (New York: Norton, 1973), Tom Braden, "I'm Glad the CIA is Immoral," *The Saturday Evening Post* (20 May, 1967), *idem.*, "The Birth of the CIA," *American Heritage*, Vol. 28 (February 1977), Clark Clifford (with Richard Holbrooke), *Counsel to the President: A Memoir* (New York: Random House, 1991), Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington: Acropolis Books, 1977), William Colby, *Honourable Men: My Life in the CIA* (London: Hutchinson, 1978), Christopher Felix (James McCargar), *A Short Course in the Secret War* (Lanham: Madison Books, 2001), Richard Helms with William Hood, *A look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), Joseph M. Jones, *The Fifteen Weeks* (New York: Harcourt, Brace & World, 1955), George F. Kennan, *Memoirs, 1925-1950*, (Boston: Little, Brown, 1967), Cord Meyer, *Facing Reality: From World Federalism to the CIA* (New York; London: University Press of America, 1980), Walter Millis (ed.), *The Forrestal Diaries: The Inner History of the Cold War* (London: Cassell, 1952), Paul H. Nitze, *From Hiroshima to Glasnost: At the Center of Decision: A Memoir* (London: Weidenfeld and Nicolson, 1990), Kim Philby, *My Silent War* (London: Panther, 1973), Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), Harry Rositzke, *The CIA's Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA*

(New York: Simon & Schuster, 1995), and Harry S. Truman, *Memoirs: Years of Trial and Hope*, Volume Two (London; New York: Da Capo, 1987).

There are also a wide variety of historical biographies that provide both personal insights into government officials and analytic interpretations of their actions. For instance see Peter Grose, *Gentleman Spy: The Life of Allen Dulles* (Amherst: University of Massachusetts Press, 1996), John Lamberton Harper, *American Visions of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (Cambridge: Cambridge University Press, 1994), Walter L. Hixson, *George F. Kennan: Cold War Iconoclast* (Oxford; Columbia: Columbia University Press, 1989), Walter Isaacson and Evan Thomas, *The Wise Men: Six Friends and the World they Made: Acheson, Bohlen, Harriman, Kennan, Lovett, McCloy* (New York: Simon and Schuster, 1986), and Leonard Mosley, *Dulles: A Biography of Eleanor, Allen, and John Foster Dulles and their Family Network* (London: Hodder and Stoughton, 1978).

**THE ORIGINS OF POLITICAL WARFARE:
THE DEVELOPMENT OF PEACETIME INTELLIGENCE
AND THE NATIONAL SECURITY ACT OF 1947**

Over the past sixty years the Central Intelligence Agency has become notorious for its covert political warfare capability.¹ Yet the acquisition of an offensive capability was not even a consideration when the Agency was originally established. In retrospect some historians have implied that the CIA was always intended to intervene abroad through clandestine political actions.² But the full political warfare capability was in fact sanctioned several years after its founding. This is an important distinction corroborating the lack of a long-term design for a peacetime political warfare strategy and organisation.

A key point to address, therefore, is not that the Agency originally pursued a political warfare agenda, but that certain factors determined that this occurred at a later date. Its development was, of course, externally tied into the evolving post-war geopolitical situation. But it was also borne out of a convergence with internal bureaucratic and strategic factors.

Before 1947 senior American policymakers did not conceptualise peacetime foreign policy outside the conventional structures of the diplomatic and military services. Thus no consideration was given to the formulation of plans to undertake political warfare in

peacetime. Increasing emphasis was given to developing capabilities to meet the challenge posed by the Soviet Union as the wartime alliance faltered in peacetime. But the development of unconventional capabilities to meet this need received scant attention.

The establishment of a peacetime intelligence system was therefore not initially motivated by the perception of a Soviet threat.³ Government officials recognised the merits of peacetime intelligence long before the emergence of Cold War antagonisms, although the creation of the Central Intelligence Group (CIG) in January 1946 fell well short of fulfilling its peacetime requirements. The formation of this nominally centralised intelligence body generated a considerable amount of friction within the government bureaucracy which undermined the potential effectiveness of CIG in its original form. During 1946 demand grew for intelligence on Soviet intentions and capabilities, and this facilitated CIG's expansion, value and effectiveness within the community of government agencies. It was only later, when American policies were reconfigured towards the Cold War from mid-1947, that this agency was also linked to the perceived need to implement countermeasures against the Soviet threat in Europe.

Prior to 1947, plans for a future covert capability for wartime implementation were initiated. These were not linked to a coordinated peacetime interventionist agenda or to CIG or any other civilian organisation. The interdepartmental studies conducted by the State-War-Navy Coordinating Committee (SWNCC) were strictly limited to psychological warfare, such as the uses of propaganda and other devices to affect enemy morale, rather than the broader political warfare spectrum.

Peacetime political warfare evolved later along a different trajectory. The National Security Council briefly assigned a peacetime psychological warfare capability to the fledgling CIA late in 1947. The external factors that motivated this move did not converge before the statutory founding of the CIA in July 1947. Thus there was no longer-term strategic development of a peacetime political warfare programme against the Soviet Union prior to this point.

This notwithstanding, it is important to examine the origins of the Agency because CIG's evolution unwittingly provided the organisational machinery and a potential legal basis to implement political warfare in the future. Most significantly, espionage and counter-espionage functions were secretly approved by Congress and the executive, although no thought was initially given to expanding into offensive political warfare operations at the time. The authorities affirming CIG/CIA's secret intelligence function contained loopholes opening up possibilities for a broader capability, but this was not exploited by CIG, the National Intelligence Authority (NIA), the Intelligence Advisory Board (IAB) or the White House prior to mid-1947.

The institutional hostility characterising CIG's early existence also influenced the Agency's later acquisition of an interventionist capacity. Ironically, the efforts of rival agencies to maintain its emasculation compelled CIG to expand from its meagre origins to survive in the cut-throat institutional environment. Its vital need for statutory recognition inadvertently provided it with more credible legal authority to conduct political warfare than its competitors, but at no stage was the push for legislation linked

to a move into operations. Legislation was regarded as essential both to formalise its institutional position and to protect its jurisdiction from jealous administrative predators.

In particular, the growth under CIG's second director General Hoyt S. Vandenberg laid an institutional platform allowing the future CIA to undertake political warfare. This was neither inevitable nor arrived at by design. But CIG's awkward and non-strategic development ultimately shaped CIA in ways that gave it an edge over rivals as an offensive operational unit. The incorporation of its espionage capacity in mid-1946 was most significant. The partial preservation of the wartime Office of Strategic Services (OSS) within the War Department's Strategic Services Unit (SSU) led to the formation of the Office of Special Operations (OSO) within CIG and a mandate to collect secret intelligence abroad and to conduct counter-espionage activities. Ultimately, this provided the young agency with the expertise and an operational base from which to expand into broader political warfare actions when later called upon by the President and the National Security Council.

Part 1

The Organisational Roots of Political Warfare: From OSS to CIG

General William "Wild Bill" Donovan seems to have made the first formal suggestion for the United States to acquire a peacetime political warfare capability. Donovan headed the Office of Strategic Services, America's wartime intelligence and special operations

organisation.⁴ Towards the end of 1944 he sent several proposals to President Franklin D. Roosevelt outlining his vision for a peacetime centralised intelligence service. Donovan hoped to preserve OSS in the peacetime era as the end of the war against the Axis powers drew close. In two documents sent in October and November 1944 respectively, the OSS chief innocuously proposed that one function of the peacetime intelligence service should be to conduct “[c]landestine subversive operations” and “[s]ubversive operations abroad.”⁵ In Donovan parlance this meant political warfare.⁶ At this stage he was simply inserting the principle of a political warfare capability into his proposal to mirror the functions carried out by OSS. In other words, Donovan was not specifically advocating the preparation of a peacetime political warfare programme, but that a centralised intelligence agency should be empowered to implement it should one ever be required.

Donovan’s proposals fell on deaf ears. But the failure of his overall proposition to win over President Roosevelt had nothing to do with his passing reference to a peacetime covert political warfare capability. He was primarily opposed because the Departments of State, War and Navy and the Federal Bureau of Investigation (FBI) suspiciously eyed his concept as a challenge to their existing powers.⁷ This stemmed primarily from the wartime intelligence services within the departments, each of which was “jealous of its own sovereignty and jurisdiction” according to Agency historian Ludwell Lee Montague.⁸ Controversy surrounded Donovan’s call for a permanent centralised intelligence agency and it was subsequently leaked by one of these “rival” agencies to the *Chicago Tribune* and *Washington Times-Herald* in February 1945.⁹ A corollary effect was that this ruled out any immediate consideration of the peacetime organisation of a

political warfare capability. But the general public (and Congress) were alarmed by the prospect of an American “Gestapo” with unbridled domestic powers rather than the sanction of clandestine interventions abroad.¹⁰

Donovan’s OSS was dissolved by Executive Order 9621 on 20 September, 1945.¹¹ The concept of political warfare then played no part in the acrimonious debates that ensued over the development of a peacetime centralised intelligence system.¹² There was no agenda to inaugurate political warfare in the period and no proposal was forthcoming in another policy paper to set up a peacetime capability until the autumn of 1947. Although trans-departmental resistance posed a severe challenge to Donovan’s vision of a powerful, independent and truly centralised post-war intelligence agency, creating discontinuity between OSS and the fledgling peacetime organisation.¹³ But the bureaucratic wrangling related to fears that a centralised body would usurp the current powers and jurisdictions of existing departmental intelligence units.¹⁴

CIG was created by presidential directive on 22 January, 1946.¹⁵ It was an enfeebled entity with several glaring institutional weaknesses built into it.¹⁶ This reflected the need for Truman’s personal intervention to drive through CIG’s establishment to overcome the obstructionism of the disenchanted departments. In its original form CIG was far from Donovan’s vision of a powerful, centralised, operational agency capable of conducting political warfare abroad. Instead it was regarded as a coordinating mechanism, not an independent agency.¹⁷ CIG did not even command its own personnel, budget or facilities but was instead dependant for these on the allocations of its departmental competitors. It

was placed under their authority with the department heads comprising the National Intelligence Authority, while the departmental intelligence chiefs held an “advisory” role on the Intelligence Advisory Board (IAB).¹⁸

CIG’s first director Rear Admiral Sydney W. Souers accepted that CIG’s role was limited to “serving the departments under supervision and control of the department heads in the National Intelligence Authority.” The body’s diminished status was confirmed at the second formal meeting of the NIA. Secretary of State Byrnes, Secretary of the Navy Forrestal, Secretary of War Patterson and Truman’s personal representative in the NIA Admiral Leahy formally designated it a “cooperative interdepartmental activity” rather than an independent agency. Betraying the fact that CIG was the product of compromise between departments reluctant to relinquish their own intelligence functions and capabilities, it was agreed that there should be “adequate and equitable participation” in its activities by the State, War and Navy Departments as decided by the NIA.¹⁹ Yet these benefactors in Navy, War, Justice and the State Department were all determined to undermine CIG’s central authority rather than to furnish it. As one historian has observed, CIG was “a central authority in name only” from the outset.²⁰

Despite its beleaguered origins, two clauses delineating CIG’s mandated functions and duties were contained within the January 1946 directive that offered it a future operational capacity.²¹ CIG was directed to perform “such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.” It was also charged to undertake “such other functions and duties related to

intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.”²²

These vague authorities originated in the Donovan proposals. Although CIG and the NIA did not look upon them as a gateway to expanded powers, these clauses were retained in later authorities providing the legal loopholes used by the administration to authorise covert operations. The inclusion of these innocuous clauses in the January 1946 directive establishing CIG was therefore crucial to their retention in the later draft proposals that went before Congress a year later that ultimately provided CIA with an unprecedented peacetime capability to intervene abroad.

CIG’s Expansion: The Non-Strategic Development of a Political Warfare Capacity

The seeds of an operational agency therefore existed from the outset, but not an agenda. Initially CIG’s most pressing need was to address its fundamentally weak position within the administrative structure. The most practical way to do this in any competitive environment is to grow in size and stature and this is exactly what the Group attempted to do. From January 1946 to July 1947 it gradually acquired new functions and duties augmenting its value as a member of the government community, thereby enhancing its institutional life expectancy. Its expansion simultaneously laid the organisational platform for the CIA’s capacity to conduct political warfare in the future.

The acquisition of a secret intelligence collection capability was salient as it transformed CIG from a dependent “coordinating mechanism” into a semi-independent and

operational organisation in its own right. Although political warfare was not envisaged by the CIG leadership or the broader administration when OSO was established, intelligence collection- in other words espionage and counter-espionage- shares common methods of operation, as well as organisational and security needs. Both practises are also based on the same principle of foreign peacetime intervention. This was the organisational root, therefore, of the CIA's budding political warfare capability. The Agency inherited a limited but nonetheless practical base of expertise and experience from which to expand- a platform that other competitor agencies lacked.

There was no thought in the mind of CIG's second director General Hoyt S. Vandenberg to exploit the espionage duties as a stepping stone to broader powers. But his energetic and highly effective expansion of CIG's functions, in particular, ensured an operational future for the Agency.²³ Facing the prospect of institutional redundancy, DCI Vandenberg wasted no time at the task of carving out a role for the Group. In a draft NIA directive to the IAB on 20 June, 1946 (ten days into his new post) Vandenberg proposed among other things, "a redefinition of the functions of the Director of Central Intelligence which will give him the necessary authority to augment the Central Intelligence Group so that he may effectively perform his assigned missions."²⁴ Within a month of his tenure he received an additional \$10 million in funds to add to CIG's existing \$12 million authorisation. He was also given clearance to expand the Group's permanent staff from 165 to 3,000 people by the end of the fiscal year, just ten weeks away.²⁵

Many of Vandenberg's requests were officially accommodated in National Intelligence Authority Directive (NIAD) 5. This directive assigned responsibility for intelligence collection to CIG, authorising it to conduct "all organized Federal espionage and counter-espionage operations outside of [the] United States and its possessions for the collection of foreign intelligence information required for the national security."²⁶ The incorporation of espionage into CIG heralded an important moment in the early history of the Agency and the destiny of a political warfare capability.²⁷ This outcome was unintentionally facilitated by the efforts of Assistant Secretary of War John J. McCloy and Donald Stone of the Bureau of the Budget, who "cooperated quietly and with great foresight to preserve the most important functions of OSS" according to future Director of Central Intelligence Richard Helms.²⁸ John Magruder, the director of SSU in the War Department, also pursued the "holy cause of central intelligence" with great persistence.²⁹

Following the approval of NIAD 5, from July 1946 CIG absorbed former OSS personnel including a very small nucleus of political warfare expertise. Unglamorously, however, the main factor behind the transfer was administrative expedience. The OSS agents had been transferred into the War Department and reorganised as SSU when OSS was dissolved after the war. This was understood by all concerned to be an interim arrangement until a permanent home could be found. In the meantime SSU felt the knock-on effect of the slashes in federal spending after the war. Naturally the parent War Department did not feed the adopted SSU before its other needy components within the department, as the Unit had only recently been transferred from OSS as a holding

measure.³⁰ Alfred McCormack's Research and Analysis branch fared little better in the State Department, with Congress in turn slashing its budget under the post-war drive to demobilise.³¹

Diminishing budget and resource allocations made it increasingly untenable for SSU to preserve the "facilities and assets of OSS" that were deemed to be "potentially of future usefulness to the country."³² By February 1946 an exasperated Magruder resigned in protest at the heavy "attrition" of OSS assets, informing Patterson of the "urgent need for clarification of the status of the SSU if its assets [are] to be preserved. [...] the assets of the organization continue to be sapped by attrition of high grade personnel, and its morale lowered at a rate accelerated by continuing obscurity in the Unit's future."³³ Some OSS veterans like Philip Horton in France, Richard Helms in Germany, Alfred Ulmer in Austria and James Angleton in Italy did stay on to administer the skeletal postwar service. But many important members like Frank Wisner were lost because they either became disillusioned about the long-term career prospects in intelligence or because their salaries were simply not affordable.³⁴

Magruder believed in the principle of centralised peacetime intelligence "on the basis of national rather than departmental requirements."³⁵ But the transfer to CIG was fundamentally an administrative necessity if its valuable intelligence networks across Europe, North Africa and the Middle East were to be saved. When Truman established CIG, Magruder therefore requested that the NIA obtain "at the earliest practicable date an objective analysis of the functions and assets of the SSU and an appraisal of their value

for employment operationally in the Central Intelligence Group.” DCI Souers appointed a committee chaired by Colonel Louis J. Fortier to look into the matter and it quickly approved Magruder’s recommendations that SSU be transferred to CIG based on “the national interest and the preservation of existing organization and facilities for tapping foreign intelligence systems [...]”³⁶

A secret intelligence capability was eventually organised within the Office of Special Operations under Donald Galloway on 11 July, 1946. Galloway was instructed to conduct “all organized Federal espionage and counterespionage operations outside the United States and its possessions for the collection of foreign intelligence information required for the national security.”³⁷ At the time of the transfer SSU employed 400 field officers as well as 260 staff in Washington and 1,432 in auxiliary roles, although not all of these were rehired by the new office.³⁸ Budgetary restrictions determined that OSO would be a modest undertaking, at least at the outset. DCI Vandenberg stipulated that “Only a limited number of carefully selected individuals formerly with Strategic Services Unit will be employed to inaugurate the program under the new auspices.”³⁹

CIG thereby acquired a base of interventionist expertise. This included a rudimentary nucleus of OSS political warfare specialists to ensure that “the necessary elements and assets for the paramilitary branches will not be lost.” This was deemed important to “preserve the capabilities for sabotage, support for underground forces, [and] clandestine subversion of enemy morale.”⁴⁰ But there was no immediate peacetime role for this select group beyond undertaking analytical and training duties:

[A] nuclei of no more than nine persons from the Morale Operations Branch and three persons from the Special Operations Branch will be transferred to the Secret Intelligence Branch to process and study information on foreign developments in clandestine propaganda and sabotage and to preserve the techniques evolved by O.S.S. in the past war.⁴¹

The preservation of nine political warfare specialists in total in SSU represents a humble beginning for the capability that would swell OPC/CIA's ranks in a matter of two years.

But in 1945-6 this eventuality was not envisaged, as Richard Helms later recalled:

The OSS political and psychological warfare operatives seemed spontaneously to have scattered at the end of the war. The fact that covert action had not figured in the discussions on how secret intelligence was to be organized and who would control it may have convinced the OSS Morale Operations specialists that there would be no role for them in the new organization. When Steve Penrose briefed me on my responsibilities in Central Europe, he made no reference to any covert action.⁴²

The dissipation of the majority of OSS's political warfare agents back into civilian careers at the end of the war reflected the widespread assumption that life would revert back to peacetime conditions.

The Onset of the Cold War: Wartime Psychological Warfare Planning

Although in 1946 U.S. policymakers did not yet call for an offensive political warfare programme, senior officials began to identify an emerging threat posed by Russian power. Over time a consensus formed in Washington regarding the politico-ideological and military nature of the Soviet threat. Growing American anxiety stimulated the demand for a greater quantity and quality of intelligence on Soviet intentions and capabilities.⁴³ During the course of 1946 the emphasis was placed by American officials on gathering intelligence on the Soviet Union rather than on waging covert political warfare operations.

CIG was subsequently informed of the “urgent need to develop the highest possible quality of intelligence on the U.S.S.R. in the shortest possible time.” To facilitate this, an interdepartmental “Planning Committee” was established to draw up “a plan to coordinate and improve the production of intelligence on the U.S.S.R.”⁴⁴ SSU/CIG therefore organised itself to take a more active interest in the Soviet Union. In the spring of 1946 the Special Projects Division for the Soviet Union (SPD/S) was created under Harry Rositzke, forming the basis of OSO’s Soviet Operating Division in 1947.⁴⁵ The increasingly suspicious nature of CIG estimates and analysis regarding Soviet intentions contributed to the general crescendo of anti-Soviet feeling in Washington.⁴⁶

George F. Kennan, the State Department Russian specialist who later played a central role in developing a peacetime political warfare programme, was in a position to influence the alarmist anti-Soviet tone of CIG reports following his recruitment as a “Special Consultant to the Director of Central Intelligence.”⁴⁷ Kennan famously expressed his own anxieties in the Long Telegram dispatched from the American embassy in Moscow in February 1946. Kennan did not regard Soviet military expansion as the primary threat to U.S. interests in Western Europe.⁴⁸ Instead he identified the “subterranean plane of actions undertaken by agencies for which Soviet Government does not admit responsibility” on the ideological-political level as particularly hazardous for the United States.⁴⁹ His dire analysis of the Soviets reverberated around Washington, although his role as a consultant to CIG remains murky.

Kennan did not yet call for an American response in kind with covert political warfare operations of its own. He later acknowledged that in 1946 he believed the priority was to prevent the establishment of predominant communist influence in Western Europe.

“When we have stabilized the situation in this way, then perhaps we will be able to talk with them [Russia] about some sort of a general political and military disengagement in Europe and the Far East- not before.”⁵⁰ This did not yet entail extending secret support to non-communists and discrediting of the left. Therefore it is extremely unlikely that his consultancy work with CIG went beyond informing the intelligence reports on Russia.

Seven months after the Long Telegram was sent the first Cold War interdepartmental report was completed by the U.S. Government. This was undertaken in response to a White House request for the opinions of senior American officials regarding Soviet policies and intentions. Two Truman aides Clark Clifford and George Elsey canvassed the Secretaries of State and Navy, Admiral Leahy, the Joint Chiefs of Staff, the Director of Central Intelligence and other senior figures, before submitting the final paper to Truman in September. The opening lines of the Clifford-Elsey report were stark:

The gravest problem facing the United States today is that of American relations with the Soviet Union. The solution of that problem may determine whether or not there will be a third World War. Soviet leaders appear to be conducting their nation on a course of aggrandizement designed to lead to eventual world domination by the U.S.S.R. Their goal, and their policies designed to reach it, are in direct conflict with American ideals [....]

The report demonstrated an emerging consensus gravitating towards Kennan’s views.

U.S. policy should “resist vigorously and successfully any efforts of the U.S.S.R. to expand into areas vital to American security.” Like Kennan’s musings, this did not move beyond an early expression of the “containment” strategy for Western Europe. Therefore

there was no call for offensive political warfare measures designed to undermine communist power within the Soviet bloc, indicating that this type of campaign had not yet entered official thinking.⁵¹

Historian Melvyn Leffler has observed that as 1946 progressed military planners increasingly emphasised Soviet capabilities rather than intentions.⁵² This marked the growing acceptance of a bipolar split along Cold War lines. American officials became progressively more concerned that Soviet foreign policy harnessed to the strength of the Red Army was essentially expansionist and might therefore look to the territorial conquest of Western Europe and beyond.⁵³ The military was the first to express an interest in political warfare stemming from this anxiety about Soviet aggressive tendencies and was stimulated by the crises over Iran and Turkey in 1946.⁵⁴ Its initial exploration of CIG's capacity to undertake operations was based on broader war planning, but this did not amount to a resurgent "maverick operational culture" under a "Donovan Tradition" as has recently been contended.⁵⁵ Instead it was strictly tied into the earliest phases of contingency war-planning at the beginning of the Cold War.⁵⁶

Surveys into the operation of psychological warfare were also initiated in military circles in 1946, before any civilian offices showed much interest. These were limited to the preparation of plans and studies for the use of psychological warfare "in time of war or threat of war as determined by the President."⁵⁷ As such these early reports were narrow in scope and not directly linked to the infant CIG. Had the State Department been ready to consider political warfare measures in peacetime then CIG would possibly have been

called upon. But its own planning did not begin until late 1947 and was conducted independently of the military-initiated analyses due to its emphasis on covert operations as actions short of war rather than as wartime measures.⁵⁸ Despite the military's head-start, these separate State Department proposals quickly overtook its own studies in terms of policy recognition and implementation in late 1947 and into 1948.⁵⁹

The instigation of psychological warfare planning in 1946 originated with Secretary of the Navy James Forrestal and Secretary of War Robert Patterson. These early Cold Warriors were anxious to formulate broad and assertive war plans to counter the Soviet Union in the event of a military confrontation. Following an exchange of letters between Forrestal and Patterson in March 1946, an *ad hoc* committee was established to review military psychological warfare efforts in World War II. The committee was asked to recommend the establishment of a "peacetime *military* organization" for psychological warfare to maintain a "ready-for-mobilization status" as well as to propose a wartime military psychological warfare agency.

On 4 June, 1946 Assistant Secretary of the Navy for Air John L. Sullivan called for the issue to be broadened to examine "the integration of national psychological warfare with military plans." Sullivan argued in a memorandum to SWNCC that "it may be assumed that [the] future national psychological warfare effort will continue under non-military control, and that integration of the national effort with military plans will be requisite so as to assist and not to interfere with those plans."⁶⁰ This prompted the creation of an interdepartmental *ad hoc* committee under SWNCC to formulate guidelines which were

completed by 10 December, 1946. This report, titled SWNCC 304/1, emphasised the importance of psychological warfare as “an essential factor in the achievement of national aims and military objectives in time of war, or threat of war as determined by the President.” Noting the disorganised nature of U.S. activities in World War II SWNCC304/1 also recommended “the immediate establishment of a committee with full-time representation from appropriate governmental agencies to serve as an agency charged with preparation of psychological warfare policies, plans, and studies for employment in time of war, or the threat of war.” The envisaged role for a “peacetime psychological warfare committee” was limited to the establishment of “definitions, responsibilities and functions for “white” and “black” psychological warfare” and the development of “Plans to be prepared for use in times of war.”⁶¹

Notwithstanding the rapid deterioration of US-Soviet relations, in December 1946 American officials did not consider themselves at war. President Truman was not ready yet to declare the country under the threat of war, although behind the scenes he was shifting to a more confrontational position. Howard Jones observes that the enunciation of the “Truman Doctrine” to a joint session of Congress in March 1947 “signaled the administration’s willingness to engage in the struggle against communism on all fronts—social, political, and economic as well as military.”⁶² Although the Truman Doctrine publicly *justified* all exigencies of intervention, formal authorisation and implementation of political warfare came later. Importantly, SWNCC’s restriction of psychological warfare planning to wartime applications ensured that these military matters were not linked to CIG or to a far-reaching programme of peacetime intervention based on the

Truman Doctrine. It was the Group's estimates, rather than a political warfare capability, that enabled it to exert an early influence in Washington.⁶³

Wartime contingency planning for psychological warfare was initiated in a SWNCC subcommittee between April and June 1947. This was limited to acknowledging the respective jurisdictions of the State Department for "psychological warfare policy determination which affects the foreign policy of the United States" and of the armed services for "psychological warfare policy determination which affects the national security and the conduct of military operations of the United States." As a result coordination between military and non-military branches was suggested to facilitate the integration of civilian components into a military organisation in wartime.⁶⁴ There was no simultaneous endeavour to organise a national psychological warfare campaign against the Soviet bloc in peacetime.

Therefore, by mid-1947 when Congress passed the National Security Act statutorily establishing the CIA, limited planning for psychological warfare in times of war or national emergency was gaining momentum. But at this stage the executive branch failed to recognise a trans-departmental interest in possible peacetime covert operations (despite these studies being conducted by an interdepartmental group) that might have resulted in the CIA being designed to take charge prior to the passage of the National Security Act.

The SWNCC proposals were eventually postponed after the passage of the National Security Act. The administration became distracted by the State Department's proposals

for overt and covert peacetime psychological warfare leading to a feud over which agency should control and run it.⁶⁵ In due course the NSC placed the peacetime function in the CIA. But this was not predated by any explicit links between SWNCC planning and the expansion of CIG and its subsequent quest for intelligence legislation. The primary liaison between the two groups instead stemmed from SWNCC's need for "National Intelligence" that was provided by CIG.⁶⁶

Certainly, the Group's determined pursuit of greater authorities and responsibilities in 1946, particularly under Vandenberg's tenure, transformed the fledgling intelligence organisation.⁶⁷ Consequently, the foundations were unintentionally laid for its future covert political warfare capability. Long before the external Cold War pressed Washington to explore such measures, CIG itself was compelled to seek institutional security through statutory backing or face premature extinction.

Part 2

The Pursuit of Intelligence Legislation and Creation of the CIA

CIG's pursuit of statutory backing impacted on both the institutional fate of the CIA and future decisions over the housing of a political warfare capability. At the time intelligence legislation was not linked to expanded offensive functions. The motivation was administrative rather than strategic.

At the end of his tenure as CIG's first director in June 1946, Rear Admiral Souers submitted a progress report to the NIA setting in motion a process ultimately resulting in the creation of the CIA. This later held ramifications regarding the executive branch's ability (through the National Security Council) to legally launch covert political warfare operations against foreign powers in peacetime by acting under implicit authorities vested by Congress. This legal basis is extremely dubious, in fact, because the beginning of the legislative trail reveals that policymakers and congressmen were originally motivated by bureaucratic rather than strategic or operational considerations in pursuing statutory recognition of the intelligence agency.

Souers was a cautious Director of Central Intelligence. He was fully aware of the limitations of his station as prescribed by CIG's founding directive because he was its principal author.⁶⁸ Nonetheless in his June progress report Souers advocated statutory backing to enhance CIG's weak position within the bureaucracy. Having outlined the difficulties encountered by its emasculation to its bureaucratic rivals, Souers recommended that the NIA and CIG "should obtain enabling legislation and an independent budget as soon as possible." He informed the Authority that this was necessary so that the "urgently needed central intelligence operations may be effectively and efficiently conducted" and to gain "the necessary authority and standing to develop, support, coordinate and direct an adequate Federal intelligence program for the national security."⁶⁹ Only then could CIG remove the shackles imposed by the competition.

When Vandenberg replaced Souers as director of CIG he too was motivated by institutional, non-strategic factors in his quest for intelligence legislation. Vandenberg was in fact immediately thrust into managing a crisis. Three days into his post the new DCI received a document from CIG's legal counsel Lawrence Houston describing the mandated responsibilities of the director and the organisation. Houston also bleakly warned of an administrative crisis facing the service. As presently arranged, he warned, "it is purely a coordination function with no substance or authority to act on its own responsibility in other than an advisory and directing capacity." In other words CIG was powerless to control or influence budgetary, personnel and supply matters. In essence "CIG has no power to expend Government funds."

Houston also made Vandenberg aware of the existence of "Public Law 358, which in brief provides that no funds may be available to any agency or instrumentality which remains in existence for more than one year without a specific appropriation from Congress during that year." According to Houston this could mean that "after 22 January 1947, Departments could not even furnish unvouchered funds to the Director, CIG, and it would be questionable whether the Departments could furnish personnel and supplies paid for out of vouchered funds."⁷⁰ This was clearly serious. Houston's legal advice asserted that under the authority of Truman's directive, the lawful basis for CIG's existence would expire in just over six months. Its survival as an institution hung in the balance because, as Houston later described, CIG was "technically illegal" without the formal approval of Congress.⁷¹

Vandenberg was instantly motivated by Houston and his deputy legal counsel John S. Warner to press for legislation. The cause was institutional survival not the expansion of capabilities.⁷² Legislative recognition would strengthen CIG/CIA's bureaucratic standing, assure its future access to appropriations, and obviate the need for Congressional endorsement of its existence on an annual basis.⁷³ The process put in train by this action ultimately culminated in the creation of the CIA the following summer.

In another quirk of CIA's origins, CIG's narrowly focussed intelligence proposals were rejected during the drafting process in favour of a more generic authorisation. The intelligence proposal from CIG was abandoned by the administration's legislative drafting committee in favour of vaguely-worded authorities to provide flexible rather than restricted authority.⁷⁴ But this related solely to CIG's ability to conduct espionage and counter-espionage. Unforeseen at the time, the broader legislation made it less problematic for the National Security Council to legally justify the implementation of political warfare later.

The Drafting of an Intelligence Bill

The process began with the drafting of an intelligence bill by Houston and Warner. This document, intended to fulfil CIG's administrative requirements, was submitted to the White House for Clark Clifford to review on 28 June, 1946.⁷⁵ Meanwhile Vandenberg began lobbying the members of the NIA to garner the administration's support for Congressional enactment.⁷⁶ This first CIG draft called for centralisation of intelligence activities but followed the January 1946 founding directive in presenting only a general

list of the CIA's proposed functions and duties. Clifford responded tersely to Vandenberg on 12 July, disparaging the hastily written paper for its "unnecessarily repetitious" language and failure "to define in clear terms the sense in which the word 'intelligence' is used." The latter shortcoming in particular provoked Clifford's displeasure:

The failure to distinguish between "intelligence" and "foreign intelligence" will raise a serious question in many minds as to whether the real intent of the bill is actually the same as that stated in the "Purpose of the Act" [...] I fear that this will lead to the suspicion that the "National Intelligence Authority" and the "Central Intelligence Agency" will attempt to control, with the powers granted to them in this bill, the F.B.I. and other intelligence activities.⁷⁷

Clifford was anxious to clearly define the Agency's functions. But this stemmed from the inevitable misgivings of the departmental intelligence services and the FBI over CIG's legal authorisation, rather than to the strategic ramifications of its broad empowerment. In two ways it was ironic that Clifford initially bemoaned CIG's failure to clearly delineate the CIA's proposed role within the government. Firstly, these were the same grounds on which CIG later opposed an alternative legislative proposal put forward by the drafting committee headed initially by Clifford himself. This version of the legislation lacking a clear definition of the CIA's functions, and not the CIG paper, was eventually carried over into the National Security Act. The later authorities to conduct political warfare abroad in peacetime flowed from this generic proposal.

The second irony was that Clifford testified before the Church Committee in the 1970s to defend what Congress by then considered to be the failure of the drafters of the National Security Act to clearly define the CIA's future role and duties. The omission of explicit functions came back to haunt Clifford when Congress directly linked this deficiency to

the executive branch's worldwide operation of covert political warfare and the Agency's purported abuses of power.⁷⁸

Momentarily, in mid-1946 CIG and the White House agreed that a clear definition of the CIA's functions should be included in the intelligence provisions of any legislation. Such an outcome would have made the later authorisation of political warfare on the basis of the National Security Act extremely problematic. On 16 July at a follow up meeting to the first CIG draft, Houston and James Lay of CIG met Clifford and another Truman aide George Elsey at the White House. Overcoming some initial reticence, the CIG representatives managed to secure Clifford and Elsey's agreement that CIG "must now become a legally established, fairly sizable, operating agency."⁷⁹

Houston and Warner were told to prepare a second draft explicitly mapping out the CIA's proposed functions and clearly defining the parameters of "intelligence" to avoid any bureaucratic frictions.⁸⁰ It would act as a safeguard to prevent the CIA from increasing its sanctioned powers once congressionally founded. The anticipated fear was not of a burgeoning foreign political warfare programme, but of the usurpation of the FBI's domestic powers. The State Department also became concerned later, in early 1947, when the intelligence provisions were incorporated into the military unification bill. Secretary of State George Marshall and members of his staff were anxious that the military should not dominate the proposed NSC and CIA, paying no mind to the potential ramifications for authorising clandestine foreign intervention.⁸¹

Therefore the second CIG draft proposal, sent to the White House in December 1946 included specific language clearly limiting the CIA's domestic authorities, primarily to allay FBI fears. If approved by Congress, this proposal would have severely curtailed the administration's ability to place a political warfare capability in the CIA. However, because it explicitly stipulated the CIA's proposed functions and duties, it also included a clause to authorise espionage and counter-espionage operations now being undertaken by OSO.

CIG's intelligence proposal was overtaken by circumstances. At the beginning of 1947 the intelligence legislation was incorporated into the Truman administration's flagship project to unify the armed services.⁸² This convergence transformed the intelligence provisions that were submitted to Congress. During the chaotic drafting process the National Security Act drafting team eventually decided against including detailed and specific delineations of the CIA's functions, duties and budget, much to the chagrin of the exasperated CIG leadership.⁸³

The inclusion of specific authorities to conduct secret intelligence, not political warfare, caused the commotion. The irony that Clifford's drafting team was now dropping strict regulations having previously chastised DCI Vandenberg was undoubtedly not lost on CIG's leadership. A further irony was that one of the departmental opponents of a centralised intelligence agency was now coming round to the concept that CIG/CIA should perform espionage and counter-espionage centrally.⁸⁴ But because unifying the armed services was such a divisive issue, the drafting committee was not prepared to

include any potentially controversial language within the entire merger bill to go before Congress for fear of jeopardising its eventual ratification.

Espionage was deemed to be potentially one such hot potato and was therefore struck off.⁸⁵ The drafters anticipated that sections of Congress would object to the formal authorisation of such activities in principle, given that Soviet-phobia had not reached its Cold War heights at this stage. It was hoped therefore that entirely leaving this function out would negate any unwanted controversy, a strategy that actually almost backfired.⁸⁶ For security reasons it was also considered preferable not to publicly advertise which agency was responsible for conducting this most secret of responsibilities.⁸⁷ Instead the intelligence sections were designed to retain sufficient interpretative flexibility to provide the Agency with the necessary legal authority to conduct espionage and counter-espionage without an explicit sanction. Indeed, precedents already existed for the provision of flexibility in intelligence authorities to protect the interests of security.⁸⁸

The decision was therefore taken to opt for vaguely-worded authorities and to omit any mention of the CIA's access to unvouchered funds. This was purely a tactical decision taken by the drafting committee in early 1947 that had little to do with intelligence matters at all. It was certainly not part of any duplicitous conspiracy within the executive branch to smuggle through expanded CIA powers under the noses of beguiled legislators on Capitol Hill. The priority was simply to gain closure on the long-running and acrimonious saga of military unification. The drafters worried that detailed intelligence provisions in the unification legislation would precipitate a fresh round of arguments over

the roles and missions of the various armed services, an issue still mired in considerable controversy.⁸⁹ More detailed intelligence provisions could be sought at a later date after the Department of Defense had been successfully created and the Agency founded on a legal basis.⁹⁰

The Unification of the Armed Services and the Merger Bill

On 25 January, 1947, the decision to attach CIA provisions to the broader unification bill was relayed to CIG's legislative liaison officer Walter Pforzheimer by Clifford's successor as head of the drafting team Charles Murphy. Pforzheimer was told that it had been decided that "all but the barest mention of CIA would be omitted" because "the drafting committee thought that the material submitted by CIG was too controversial and might hinder the passage of the merger legislation." There would be no tolerance of potentially divisive clauses as potentially embodied within the CIG draft:

It had been felt by the drafting committee that the substantive portions of the proposed CIA draft were too controversial and subject to attack by other agencies. It was further felt that the General Authorities were rather controversial from a Congressional point of view [...]⁹¹

As a result, the draft National Security Act condensed the CIG draft to just 30 lines.⁹²

The salient factor behind the authorisation of loose CIA authorities that later formed the basis of the political warfare mandate was political expedience. In early 1947, Truman, Leahy, Clifford and Murphy ruled out the pursuit of independent intelligence legislation specifically defining (and therefore limiting) the CIA's proposed role during the current session of Congress. Time was insufficient given that Capitol Hill would be

concentrating on the unification bill.⁹³ Hence it was also expedient for CIG to tack onto the merger bill rather than go without statutory backing for at least another year.

This influenced the way in which the loose CIA authorities were presented to shield the provisions from unwanted congressional criticism. With CIG's blessing the drafting committee therefore decided that it would be best to present the loose intelligence authorities within the merger bill as an interim arrangement pending a separate CIA statute in the future.⁹⁴ This approach reassured sceptical congressmen that the loose authorities contained in the intelligence provisions would not lead to unforeseen expanded powers for the CIA. But the congressional debates over the National Security Act reveal that concerns on Capitol Hill also revolved around the abuse of domestic powers and (to a lesser extent) ethical concerns about conducting espionage.

Consideration of the potential shift to political warfare was utterly overshadowed primarily by the ubiquitous fear of an American Gestapo organisation.⁹⁵ There was some irony in this given that long-standing fears within the executive branch had ensured that restrictions on domestic powers had consistently been included in all the proposals for a centralised intelligence service dating back to Donovan's original plan in 1944.⁹⁶ Such was the magnetism of the Gestapo peril that apparently nobody saw the wisdom in extending these same limitations on domestic powers to the Agency's foreign activities.

The principle of flexible interpretation (within acceptable boundaries agreed to in congressional committees) was therefore enshrined by Congress when it approved the legislation's broad intelligence provisions. This was confirmed only when it was satisfied

that the CIA would perform similar functions and duties currently undertaken by CIG. Nonetheless this opened up a potential space for the future authorisation of political warfare by the executive branch without the need to directly consult Congress.

The presentation of the intelligence portion of the National Security Act as an interim measure pending separate intelligence legislation had a further bearing on the future political warfare capability. Unvouchered funding was vital to maintain a shroud of secrecy over all aspects of covert foreign activities including espionage and political warfare.⁹⁷ There was broad support for the principle of concealing the Agency's spending power as a security prerequisite long before political warfare was envisaged.⁹⁸ But explicit sanction of concealed appropriation arrangements was also scrubbed from the legislation to avoid jeopardising the overall bill.⁹⁹ Pforzheimer later recalled that Murphy, Sherman and Norstadt "thought that the secret funding would open up a can of worms, and delay unification. We could come up with the housekeeping provisions later on."¹⁰⁰ Although in the short term this left some doubt hanging over the CIA's sources of funding, more importantly it meant that the door to unvouchered funding, so crucial to the employment of a covert political warfare programme, was left wide open.

Congress therefore knowingly condoned flexible interpretations of the CIA's functions, although when the National Security Act was under consideration this related to concealing its secret intelligence duties.¹⁰¹ The omission of an explicit authorisation of secret intelligence in the congressional record and the statute did not infer that a broader political warfare mandate was also being concealed by either the executive or legislative

branch. As Richard Helms recalls, the provisions were “deliberately loosely written to avoid the dread words “espionage” and “counterintelligence.””¹⁰² Knowledge of this tacit arrangement was limited to a minority of congressional leaders.¹⁰³ This was not unusual in the running of Congress and in agreements reached between the executive and legislative branches. Matters of high secrecy and extreme sensitivity were commonly handled on a selective need-to-know basis.¹⁰⁴ The obvious need for security was heightened by recent public disclosures of the Soviet penetration of western atomic secrets.¹⁰⁵

The National Security Act was reviewed and debated exhaustively on Capitol Hill for five months. Although the unification of the armed services dominated proceedings, the intelligence provisions were extensively examined, primarily at committee level.¹⁰⁶ According to Houston, Congress was initially more interested in the CIA’s coordination function than its espionage capability, but political warfare did not feature at all.¹⁰⁷ Furthermore, the Soviet Union barely featured during the debates.¹⁰⁸ Hence a political warfare sanction was neither explicitly included nor excluded within the final intelligence provisions approved by Congress establishing the CIA. Congressional acceptance that the executive branch would flexibly interpret the Agency’s authorities to facilitate the collection of secret intelligence abroad left open the possibility of its later extension to political warfare activities.

The National Security Act of 1947 was finally passed by Congress and signed into law by Truman aboard the *Sacred Cow* on 26 July, 1947. While explicit restrictions were placed

on the Agency's domestic powers, the provisions of the intelligence section were designed to provide contingent, flexible authority to the NSC in its sanctioning of the CIA's foreign functions and duties. At that time centralised clandestine intelligence collection was envisaged, but the same authorities would later provide the administration with legal justification to authorise political warfare. This was facilitated by "loophole" clauses in the final version of the National Security Act stipulating that "it shall be the duty of the Agency, under the direction of the National Security Council [...] to perform, for the benefit of the existing intelligence agencies, such additional services of common concern that the National Security Council determines can be more efficiently accomplished centrally." The Agency was also authorised "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."¹⁰⁹

In the 1970s, Clark Clifford denied in testimony to the Church Committee that there had been any intention among the drafters of the National Security Act to authorise the mobilisation of American peacetime political warfare:

Because those of us who were assigned to this task and the drafting responsibility were dealing with a new subject with practically no precedents, it was decided that the Act creating the Central Intelligence Agency should contain a "catch-all" clause to provide for unforeseen contingencies. Thus, it was written that the CIA should "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct." It was under this clause that, early in the operation of the 1947 Act, covert activities were authorized. I recall that such activities took place in 1948 and it is even possible that some planning took place in late 1947. It was the original concept that covert activities

undertaken under the Act were to be carefully limited and controlled. You will note that the language of the Act provides that this catch-all clause is applicable only in the event that the national security is affected. This was considered to be an important limiting and restricting clause.¹¹⁰

Clifford's desire to give covert action a "venerable lineage" is understandable given the furore that erupted over the CIA's manifold foreign political warfare activities.¹¹¹ Despite the contention by historian Rhodri Jeffreys-Jones "that covert political action was already on the agenda during the CIA's 1946-47 gestation period," the weight of evidence demonstrates that when the National Security Act was passed both Congress and the administration only envisaged the foreign collection of secret intelligence by the Agency.¹¹² Yet the inclusion of "catch-all" provisions facilitated the adoption of unconventional peacetime capabilities within a matter of months of the National Security Act passing into law.

Ironically, the Agency later resisted the responsibility to conduct foreign political warfare operations. Its defence *against* undertaking these covert activities derived from its interpretation of the intentions of the drafters and the National Security Act. "We do not believe," Houston advised DCI Hillenkoetter on 25 September, 1947, "that there was any thought in the minds of Congress that the Central Intelligence Agency under this authority would take positive action for subversion and sabotage."¹¹³

Therefore, when the National Security Act was drafted and approved, it was by no means inevitable that the CIA would later become a "cold war department."¹¹⁴ The convergence of deteriorating relations between the United States and the Soviet Union with the fumbled move towards intelligence legislation accidentally brought this about. Yet by the

time that external factors demanded the implementation of subversive countermeasures, inadvertently the organisational foundations had already been laid. Bureaucratic tensions still held up an immediate orchestration of political warfare through the Agency. But as Loch Johnson has colourfully described, the catch-all clauses came to dominate the rest of the authorities granted by Congress to the CIA, and the “tail” was soon wagging the “dog.”¹¹⁵

Endnotes

¹ John Ranelagh, Center for the Study of Intelligence [hereafter CSI], *The Origin and Development of the CIA in the Administration of Harry S. Truman* (Washington, D.C.: Center for the Study of Intelligence, 1995), 57, Len Scott, "Secret Intelligence, Covert Action and Clandestine Diplomacy," *Intelligence and National Security*, Vol. 19, No. 2 (Summer 2004), 328.

² Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), Rhodri Jeffreys-Jones, "Why was the CIA Established in 1947?," Rhodri Jeffreys-Jones and Christopher Andrew (eds.), *Eternal Vigilance?: 50 Years of the CIA* (London: Frank Cass, 1997).

³ Richard Helms with William Hood, *A look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), 66, L. Britt Snider, *The Agency and the Hill: CIA's Relationship with Congress, 1946-2004* (Washington, D.C.: Center for the Study of Intelligence, 2008), 259, Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon & Schuster, 1995), 28.

⁴ For more on Donovan's wartime Office of Strategic Services, see D. H. Berger, "The Use of Covert Paramilitary Activity as a Policy Tool: An Analysis of Operations Conducted by the United States Central Intelligence Agency, 1949-1951," (Federation of American Scientists) available online at <http://www.fas.org/irp/eprint/berger.htm>, Bradley F. Smith, *The Shadow Warriors: O.S.S. and the Origins of the C.I.A.* (London: Deutsch, 1983), Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley: University of California Press, 1981), Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (Frederick: Aletheia Books, 1981).

⁵ For details of Donovan's October 1944 proposal "The Basis for a Permanent United States Foreign Intelligence Service" see "Legislative History of the Central Intelligence Agency- National Security Act of 1947," Central Intelligence Agency (Office of Legislative Counsel, July 1965), 12-13. William Donovan to President Roosevelt, "Memorandum for the President," 18 November, 1944 including the "Substantive Authority Necessary in Establishment of a Central Intelligence Service," Troy, *Donovan and the CIA*, 445-7.

⁶ Donovan had a track record of interpreting loosely defined functions expansively having taken OSS into the field of covert action without explicit authority. This could well have given cause for concern to departmental intelligence chiefs anxious that he was now manoeuvring to steal some of their responsibilities once war had ended. Bradley Smith describes how, even before the establishment of OSS, the executive order of June 1941 naming Donovan as Coordinator of Information (COI) had contained an "elastic" phrase due to the opposition of rivals rather than explicitly grant to him the authority to conduct propaganda. See Smith, *The Shadow Warriors*, 68.

⁷ Donovan might well have been more of a hindrance than a help to OSS's cause. John Ranelagh and Rhodri Jeffreys-Jones document Truman and his chief of staff Admiral William Leahy's distaste towards Donovan. John Ranelagh, *The Agency: The Rise and Decline of the CIA* (Sevenoaks: Sceptre, 1988), 100 and 104, Rhodri Jeffreys-Jones, *The CIA and American Democracy* (London; New Haven: Yale University Press, 1989), 29. According to Tom Braden Major General George V. Strong, chief of the Army's G-2 intelligence group, privately described Donovan as a "mad man" while Undersecretary of State Dean Acheson wryly observed that "Donovan would have surprised no one if [...] he left one morning and returned the previous afternoon." Quoted in Tom Braden, "The Birth of the CIA", *American Heritage*, Vol. 28 (February 1977).

⁸ Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950-February 1953* (University Park: Pennsylvania State University Press, 1992), 15-6.

⁹ Rear Admiral Hewlett Thebaud and Major General Clayton Bissell, Joint Security Control, to the Joint Chiefs of Staff, "Unauthorized Disclosure of the Contents of JCS 1181 and JIC 239/5," 13 February, 1945, RG 218, Leahy Papers, Box 21, NARA. Walter Trohan's article "Donovan Proposes Super Spy System for Postwar New Deal" in the *Washington Times-Herald* is available in RG 218, Leahy Papers, Box 21, NARA.

¹⁰ Montague, *General Walter Bedell Smith*, 21, Smith, *OSS: The Secret History*, 363.

¹¹ Executive Order 9621 "Termination of the Office of Strategic Services and Disposition of its Functions," 20 September, 1945, RG 218, Leahy Papers, Box 21, NARA.

¹² There is a wealth of literature on the debates over peacetime intelligence and the creation of CIG between Donovan, the State, War and Navy Departments, the FBI and the Department of the Treasury. For example see Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (London; University Park: Pennsylvania State University Press, 1990), Jeffreys-Jones, *The CIA and American Democracy*, Anne Karalekas, *History of the Central Intelligence Agency* in William Leary (ed.), *The Central Intelligence Agency: History and Documents* (University: University of Alabama Press, 1984), Leonard Mosley, *Dulles: A Biography of Eleanor, Allen, and John Foster Dulles and their Family Network* (London: Hodder and Stoughton, 1978), Ranelagh, *The Agency*, David F. Rudgers, *Creating the Secret State: The Origins of the Central Intelligence Agency, 1943-1947* (Lawrence: University Press of Kansas, 2000), Smith, *The Shadow Warriors*, Smith, *OSS: The Secret History*, Troy, *Donovan and the CIA* and Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS and NSC* (Stanford: Stanford University Press, 1999).

¹³ Sarah-Jane Corke suggests a "Donovan Tradition" was handed down to CIG and CIA, building on Richard Harris Smith's thesis that the CIA "inherited" an "OSS legacy" including the centralisation of secret intelligence and special operations in one agency and emphasis on foreign political intervention. But this downplays the tangential and incoherent path towards a "centralised" Donovan-type organization. For example, Agency historian Ludwell Lee Montague describes it as "erroneous" to suggest that the CIA was based on the Donovan plan for a peacetime central intelligence agency. Arthur Darling underscores that CIG's first director Sydney Souers "did not accept Donovan's principle that the DCI should ever be independent of the departmental secretaries, equal if not superior to them, and directly responsible to the President." See Corke, *US Covert Operations*, 10, 25, Smith, *OSS: The Secret History of America's First Central Intelligence Agency*, 361-4, Montague, *General Walter Bedell Smith*, 20, Darling, "Central Intelligence under Souers," 55-6.

¹⁴ On the bureaucratic melee CIG/CIA's long-serving legal counsel Lawrence Houston recalled that "[b]etween the September abolition of OSS and January 22, 1946, I witnessed one of the toughest bureaucratic fights- tougher than I'd ever seen before; as tough as anything I saw afterward- about the future of the intelligence services." The main point of conflict was between the State Department and the armed services according to Houston: "At the time, the State Department thought the conduct of peacetime intelligence impinged on foreign affairs, so they ought to be in charge; the army thought they were the pros and therefore they should be in charge; and the navy vaguely supported the army." Ranelagh, *The Agency*, 100.

¹⁵ Truman to the Secretaries of State, War, and Navy, 22 January, 1946, Michael Warner (ed.), *CIA Cold War Records: The CIA under Harry Truman* (Washington, DC: History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 1994), Document 7, 29-32.

¹⁶ Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), 27.

¹⁷ Truman wanted CIG to coordinate the activities of the departmental intelligence agencies and to produce national (in other words trans-departmental) intelligence estimate summaries- rather than to independently produce intelligence. In his memoirs Truman recollected that on "becoming President, I found that the

needed intelligence information was not co-ordinated 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.” Harry S. Truman, *Memoirs: Years of Trial and Hope*, Volume Two (London; New York: Da Capo, 1987), 56. Karalekas describes the coordination role as an “exercise in futility” due to the superior institutional positions of the departments who resisted giving CIG their own intelligence data. Consequently expansion into intelligence production and research and analysis soon overtook CIG’s primary functions of coordination and the dissemination of unbiased estimates- ironically it was easier to become a competitor in the intelligence “community” than to engage and organise the jealous departments. United States Senate, *Foreign and Military Intelligence, Book I, Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities* (Washington: United States Government Printing Office, 1976), 101, and Karalekas, *History of the Central Intelligence Agency*, 24-5.

¹⁸ As originally sanctioned CIG’s primary functions were to accomplish the “correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence.” It should also plan “for the coordination of such of the activities of the intelligence agencies of [the] Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.” The prerequisite of the departmental intelligence services was safeguarded through the provision that they were to proceed unaffected by the new arrangement under the authorisation within the directive that the “existing intelligence agencies of [the] Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.” See Truman Letter to the Secretaries of State, War and Navy, in Leary, *The Central Intelligence Agency*, 126-7.

¹⁹ Minutes of the NIA’s 2nd Meeting, 8 February, 1946, and National Intelligence Authority Directive 1, “Policies and Procedures Governing the Central Intelligence Group,” 8 February, 1946, Warner *The CIA under Harry Truman*, Document 8, 33-7, Arthur B. Darling, “Central Intelligence under Souers,” *Studies in Intelligence*, Vol. 12, No. 1, (Winter 1968), 55-6.

²⁰ Zegart, *Flawed by Design*, 224-5.

²¹ Zegart demonstrates that initial design is pivotal in shaping an agency’s developmental course as it “makes possible certain paths and rules out others.” *Ibid.*, 7-8.

²² Leary, *The Central Intelligence Agency*, 126-7.

²³ For more on Vandenberg’s directorship, see Arthur B. Darling, “With Vandenberg as DCI, Part I: Some Functions Centralized,” *Studies in Intelligence*, Vol. 12, No. 3, (Summer 1968), *idem.*, “With Vandenberg as DCI, Part II: Coordination in Practice,” *Studies in Intelligence*, Vol. 12, No. 4, (Autumn 1968).

²⁴ Vandenberg’s draft NIA directive to the Intelligence Advisory Board, 20 June, 1946, United States Department of State, *Foreign Relations of the United States* (hereafter *FRUS*), *Emergence of the Intelligence Establishment, 1945-1950* (Washington, D.C.: United States Government Printing Office, 1996) (available online), Document 156.

²⁵ Charles Christensen, “An Assessment of General Hoyt S. Vandenberg’s Accomplishments as Director of Central Intelligence,” *Intelligence and National Security*, Vol. 11, No. 4 (October 1996), 760.

²⁶ National Intelligence Authority Directive No. 5, “Functions of the Director of Central Intelligence”, 8 July, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 160.

²⁷ On the transfer of SSU to CIG, see Darling, “Central Intelligence under Souers,” 68-72.

²⁸ Helms states that “American intelligence owes a considerable debt to John McCloy, Donald Stone, and General Magruder for putting the national interest above the parochial ambitions of their parent services.”

Richard Helms with William Hood, *A look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), 66-7.

²⁹ SSU Minutes of the General Staff Meeting, 29 November, 1945, RG 226, Office of Strategic Services, Strategic Services Unit M1642 (microfilm), NARA.

³⁰ Corke argues that SSU was not simply a “liquidating body” or “holding operation” because it played a “crucial role” in the development of the postwar political warfare capability, although it did so in an ad hoc and arbitrary manner without political guidance or oversight. However, it is important not to overstate the extremely limited number of secret intelligence activities that continued under SSU. What is most important is that the bureaucracy outside SSU did overwhelmingly regard it as a holding measure at the time. See Corke, *US Covert Operations*, 19.

³¹ Bureau of the Budget Project Progress Report, “Intelligence and Internal Security Programs of the Government,” April 1946, RG 51, Bureau of the Budget, Box 181, NARA.

³² Assistant Secretary of War John McCloy to the Director of the Strategic Services Unit John Magruder, “Transfer of OSS Personnel and Activities to the War Department and Creation of Strategic Services Unit,” 26 September, 1945, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 95.

³³ Magruder to Patterson, “Request for Determination of the Future Status of SSU,” 4 February, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 102. Also see C.I.G. Directive No. 1, “Survey of the Activities of the Strategic Services Unit,” 19 February, 1946, RG 218, Leahy Papers, Box 21, NARA.

³⁴ Wisner, who served with OSS in Romania and Germany and later headed the Office of Policy Coordination, resigned from SSU in disgust when Magruder’s successor Colonel William Quinn rejected his proposal to buy 200 bicycles to allow Germans to move through the Russian zone of Berlin to record troop movements. Wisner dejectedly told him “You’re cutting our throat.” Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon & Schuster, 1995), 23, Magruder to Patterson, “Request for Determination of the Future Status of SSU,” 4 February, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 102, Smith, *OSS: The Secret History*, 364, SSU Minutes of the General Staff Meeting, 19 February, 1946, 2 May, 1946, RG 226, Office of Strategic Services, Strategic Services Unit M1642 (microfilm), NARA.

³⁵ Memorandum by Magruder, “Establishment of Clandestine Collection Service for Foreign Intelligence,” 14 February, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 103. Also see Ranelagh, *The Agency*, 101.

³⁶ Memorandum from the Fortier Committee to DCI Souers, “Report of Survey of Strategic Services Unit under CIG Directive No. 1,” 14 March, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 105. The committee report emphasized the “emergency” need for US intelligence gathering on the Soviet Union, its “satellites” and its activities in other countries.

³⁷ Vandenberg to Assistant Director for Special Operations Donald Galloway, “Functions of the Office of Special Operations,” 25 October 1946, Warner, *The CIA under Harry Truman*, Document 20, 87-9.

³⁸ Corke, *US Covert Operations*, 24.

³⁹ Vandenberg to Leahy, “External Activities of the Central Intelligence Group,” 12 September, 1946, RG 218, Leahy Papers, Box 21, NARA.

⁴⁰ Corke, *US Covert Operations*, 20.

⁴¹ Magruder to McCloy, "Strategic Services Unit as of mid-October, 1945," 25 October, 1945, and Magruder to McCloy, "The Strategic Services Unit at the Beginning of November," 15 November, 1945, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Documents 97 and 99. This corroborates Lawrence Houston's testimony before the Church Committee that although OSS units responsible for covert psychological and paramilitary activities were transferred to SSU along with the espionage capability, they were generally liquidated to only leave assets that were necessary for the purposes of peacetime intelligence. Foreign and Military Intelligence, Book I, Final Report, 483.

⁴² Helms, *A look Over My Shoulder*, 110.

⁴³ For instance the Clifford-Elsey report submitted to Truman in September 1946 declared the urgent need for better information on the Kremlin, stating that "our suspicion of the Soviet Union- and suspicion is the first step to fear- is growing. Suspicious misunderstanding of the Soviet Union must be replaced by an accurate knowledge of the motives and methods of the Soviet Government." "American Relations with the Soviet Union: A Report to the President by the Special Counsel to the President" (Clifford-Elsey report), September 1946, Arthur Krock, *Memoirs: Sixty Years on the Firing Line* (New York: Funk & Wagnalls, 1968), 419-82.

⁴⁴ C.I.G. Directive No. 9 "Development of Intelligence on USSR," undated, RG 218, Leahy Papers, Box 21, NARA. and Draft Central Intelligence Group Directive, "Development of Intelligence on U.S.S.R.," 29 April, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 148.

⁴⁵ This group apparently attempted to contact Finnish, Baltic and Polish anti-Soviet resistance groups. Corke, *US Covert Operations*, 21-2, Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), 178.

⁴⁶ CIG, ORE 1, "Soviet Foreign and Military Policy," 23 July 1946, Vandenberg memorandum to Truman, 24 August 1946, Warner, *The CIA under Harry Truman*, Documents 15 & 18, 65-76, 81-3.

⁴⁷ DCI Vandenberg enthused that "the advice and assistance of Mr. Kennan, based upon his long and distinguished career, will contribute immeasurably to the accuracy and adequacy of the intelligence reports prepared by the Central Intelligence Group. The availability of his first-hand knowledge of conditions and affairs in the USSR and neighboring Eastern and Central European nations, is of primary importance to the effective accomplishment of the national intelligence mission." Vandenberg to the Secretary of State, Secretary of War, Secretary of the Navy, and the Personal Representative of the President on the N.I.A., "Special Consultant to the Director of Central Intelligence," 27 June, 1946, RG 218, Leahy Papers, Box 21, NARA.

⁴⁸ George Kennan, "Containment 40 Years Later: Containment Then and Now." *Foreign Affairs*, (Spring 1987).

⁴⁹ Kennan to the Secretary of State, 22 February, 1946, *FRUS, Eastern Europe, the Soviet Union, 1946*, Volume VI (Washington, D.C.: United States Government Printing Office, 1969), 696-709. An extremely interesting interpretation of Kennan's use of language, particularly in the Long Telegram, is Frank Costigliola, "'Unceasing Pressure for Penetration': Gender, Pathology, and Emotion in George Kennan's Formation of the Cold War," *The Journal of American History*, Vol.83, No. 4 (March 1997).

⁵⁰ Kennan, "Containment 40 Years Later."

⁵¹ See "American Relations with the Soviet Union," 419-82. Also see Clark Clifford Oral History, HSTL, 374-7.

⁵² Melvyn P. Leffler, "The American Conception of National Security and the Beginnings of the Cold War, 1945-1948", *The American Historical Review*, Vol. 89, No. 3 (June 1984), 368-9.

⁵³ This anxiety generated exhaustive intelligence studies of Soviet military strength levels. See Philip A. Karber and Jerald A. Combs, "The United States, NATO, and the Soviet Threat to Western Europe: Military Estimates and Policy Options, 1945-1963," *Diplomatic History*, Vol. 22, No. 3 (Summer 1998).

⁵⁴ For instance Mark describes how the JCS approached OSO in July 1946 asking it to organise what was believed to be a large body of underground resistance to Soviet-directed communist rule in Romania that would be capable of hindering Soviet supply lines in the event of war. See Eduard Mark, "The War Scare of 1946 and its Consequences," *Diplomatic History*, Vol. 21, No. 3 (Summer 1997), 387-8, 398-9, 406, 410-11, Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992), 111-14.

⁵⁵ See Corke, *US Covert Operations*, 10, 25.

⁵⁶ At this stage SSU/CIG did not have a mandate or capability to conduct political warfare, instead focusing on running several secret intelligence networks mainly in Europe and the Near East. Meanwhile the State Department only began to envisage a role for peacetime political warfare measures from mid-1947 under Secretary of State George C. Marshall.

⁵⁷ See Edward Lilly, "The Development of American Psychological Operations 1945-1951," 19 December, 1951, *United States Declassified Document Reference System* (henceforth *DDRS*) (Woodbridge, 1994) (available online), 35.

⁵⁸ Edward Lilly, *ibid.*, 43-4.

⁵⁹ As discussed in chapters 2 and 3, the two principal policy papers regarding covert political warfare in the 1947-8 period were NSC 4-A, "Psychological Operations," 17 December, 1947 and NSC 10/2, "Office of Special Projects," 18 June, 1948. Warner, *The CIA under Harry Truman*, Documents 35 & 43, 173-5 and 213-6.

⁶⁰ SANACC 304/15 "Review of SANACC Studies Pertaining to Psychological Warfare," undated, RG 59, PPS, Box 11A, NARA.

⁶¹ SWNCC 304/1 "Psychological Warfare," 10 December, 1946, RG 218, Leahy Papers, Box 22, NARA. Also see Rudgers, "The Origins of Covert Action", 251, Edward Lilly, "The Development of American Psychological Operations 1945-1951," 19 December, 1951, *DDRS*, and "The Postwar Development of Psychological Warfare and Special Operations," undated, *DDRS*.

⁶² Howard Jones, *'A New Kind of War': America's Global Strategy and the Truman Doctrine in Greece* (Oxford; New York: Oxford University Press, 1989), 36. A scanned copy of the original speech is available online at http://www.trumanlibrary.org/whistlestop/study_collections/doctrine/large/documents/pdfs/6-9.pdf#zoom=100

⁶³ For CIG's influence through its estimates see Barnes, "The Secret Cold War", Part I, 400. Karelekas's observation the initiation of planning for "covert action" (in other words psychological warfare) in late 1946 came well before the 1948 American covert interventions in the French and Italian elections should not infer that these SWNCC plans were linked to CIG/CIA or the later State Department political warfare programme. Karalekas overstates such a development, arguing that "By this time, the fact that the U.S. would engage in covert operations was a given; what remained were decisions about the organizational arrangements and actual implementation." See Karalekas, *History of the Central Intelligence Agency*, 38-9. For other references to initial political warfare planning in this period see Barnes, "The Secret Cold War", Part I, 404-5, Roy Godson, *Dirty Tricks or Trump Cards: US Covert Action and Counterintelligence* (New Brunswick: Transaction Publishers, 2001), 29-30, Wilson D. Miscamble, *George F. Kennan and the Making of American Foreign Policy, 1947-1950* (Oxford; Princeton: Princeton University Press, 1992), 106, and Rudgers, "The Origins of Covert Action", 250-1.

⁶⁴ SANACC 304/15 “Review of SANACC Studies Pertaining to Psychological Warfare,” undated, RG 59, PPS, Box 11A, NARA.

⁶⁵ “The Postwar Development of Psychological Warfare and Special Operations,” undated, *DDRS*. See Chapter 3.

⁶⁶ C.I.G. Directive No. 17, “Relationship Between the Central Intelligence Group and the State-War-Navy-Coordinating Committee,” undated, RG 218, Leahy Papers, Box 21, NARA.

⁶⁷ Barnes asserts that Vandenberg achieved “miracles during his year as director of central intelligence.” Yet his feats as DCI have not been as widely recognised as those of later directors such as Walter Bedell Smith and Allen Dulles. See Barnes, “The Secret Cold War”, Part I, 402, Christensen, “An Assessment of General Hoyt S. Vandenberg’s Accomplishments.” CIG’s emergence as a competitive intelligence producer (rather than coordinator), its development into independent research and analysis, its absorption of espionage and counter-espionage, its moving into the realm of atomic energy intelligence, limited domestic intelligence (of Americans travelling abroad) and the growth of its field of operations into Latin America (at the expense of the FBI) were all achieved, in large part, because of Vandenberg’s resolute and dynamic leadership.

⁶⁸ See Darling, “Central Intelligence under Souers.”

⁶⁹ Souers to the National Intelligence Authority, “Progress Report on the Central Intelligence Group,” 7 June 1946, Warner, *The CIA under Harry Truman*, Document 11, 41-51.

⁷⁰ Houston to Vandenberg, “Administrative Authority of CIG,” 13 June, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 196. Darling points out that even the initial presidential directive founding CIG was “at best questionable” because Truman’s wartime powers had by that time expired. Darling, “Central Intelligence under Souers,” 55.

⁷¹ According to Houston’s recollections, this issue had been worrying the CIG leadership since at least February 1946: “We went to the books and found there was a statute which said there could not be an organization set up in the executive branch for more than one year without statutory background. There was no statutory background at all. That February we started to go to work and put together what might be legislation for a peacetime organization. The work was based quite a bit on Donovan’s 1944 memo. We looked at all the legal problems we could think of that had turned up in the running of OSS and put them in a concept paper and a long administrative draft.” When Vandenberg took over from Souers the Houston report had been acted on, kick-starting the legislative process. Ranelagh interview with Lawrence Houston, 8 July, 1983, Ranelagh, *The Agency*, 106.

⁷² See the comments made by Houston and Warner in CSI, *The Origin and Development of the CIA*, 65 and 67.

⁷³ L. Britt Snider, *The Agency and the Hill: CIA’s Relationship with Congress, 1946-2004* (Washington, D.C.: Center for the Study of Intelligence, 2008), 159-60.

⁷⁴ The drafting committee comprised Clark Clifford (replaced by Charles Murphy in January 1947) representing the White House, Vice Admiral Forrest P Sherman, Deputy Chief for Naval Operations representing the Navy and Major General Lauris Norstad, Director of Plans and Operations, of the War Department General Staff. Other interest groups including CIG and the State Department could liaise with the drafting committee in matters relating to them, but were not officially represented reflecting the heavy emphasis given to the military aspect of the legislation.

⁷⁵ “A Bill for the Establishment of a Central Intelligence Agency,” undated, Clifford Papers, Box 11, Harry S. Truman Library, Independence, Missouri (hereafter cited as HSTL).

⁷⁶ Minutes of the NIA's 4th Meeting, 17 July, 1946, Warner, *The CIA under Harry Truman*, Document 13, 55-61.

⁷⁷ Clifford memorandum for General Vandenberg, 12 July, 1946, Clifford Papers, Box 11, HSTL. Also see Rudgers, *Creating the Secret State*, 133-4.

⁷⁸ Foreign and Military Intelligence, Book I, Final Report, 144, 153.

⁷⁹ George M. Elsey, Memorandum for the Record, 17 July 1946, Warner, *The CIA under Harry Truman*, Document 12, 53-4.

⁸⁰ CIG memorandum for Clark Clifford, "A Bill for the Establishment of a National Intelligence Authority and a Central Intelligence Agency," 2 December, 1946, Clifford Papers, Box 11, HSTL.

⁸¹ Secretary of State Marshall to Truman, 7 February, 1947, *FRUS, General; the United Nations, 1947*, Volume 1 (Washington, D.C.: United States Government Printing Office, 1973), 712-5 and The Secretary of State's Special Assistant for research and Intelligence William A. Eddy to Acting Secretary of State Dean Acheson, "Comment on National Security Act of 1947, Title II, Section 202, "Central Intelligence Agency," 17 April, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 211.

⁸² On the debates over the establishment of the CIA and the Department of Defense and the drafting process of the National Security Act of 1947, see "Legislative History of the Central Intelligence Agency," David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Lawrence: University Press of Kansas, 2005), George M. Elsey Oral History, HSTL, 22-4, Karalekas, *History of the Central Intelligence Agency*, Anna Kasten Nelson, "President Truman and the Evolution of the National Security Council", *The Journal of American History*, Vol. 72, No. 2 (September 1985), Rudgers, *Creating the Secret State*, Troy, *Donovan and the CIA*, Foreign and Military Intelligence, Book I, Final Report and Zegart, *Flawed by Design*.

⁸³ Walter L. Pforzheimer, Memorandum for the Record, "Proposed Legislation for C.I.G.," 28 January, 1947, Warner, *The CIA under Harry Truman*, Document 24, 105-9.

⁸⁴ On 15 February, 1947 William Eddy recommended to Secretary Marshall that CIG should be allocated several functions including "[u]nder-cover intelligence and espionage abroad which should not compromise the official representatives of the United States of America." This would better protect security and the reputation of the departments: "Espionage, which is certainly needed, and which involves the employment of unofficial agents, both American and foreign, should be operated by an agency outside the Departments and with funds not subject to departmental accounting." Eddy to Marshall, "Comment on the Central Intelligence Group," 15 February, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 186.

⁸⁵ In contrast explicit and detailed restrictions were placed on the CIA's domestic powers to reassure both the FBI and almost everyone else from Truman to members of Congress, that the CIA would not develop into a criminal secret police organisation akin to an American Gestapo.

⁸⁶ According to Michael Warner, "When President Truman sent his new bill forward in February 1947, the brevity of its intelligence provisions had the effect of attracting- not deflecting- Congressional scrutiny. Members of Congress eventually debated almost every word of the intelligence section, and made various adjustments. Ultimately, however, Congress passed what was essentially the White House's draft with important sections transferred (and clarified in the process) from Truman's 22 January 1946 directive establishing CIG- thus ratifying the major provisions of that directive." Michael S. Warner (ed.), *Central Intelligence: Origin and Evolution* (Washington D.C.: CIA History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 2001).

⁸⁷ Houston and Pforzheimer both later testified to the Church Committee that the CIG proposal to include specific language in the legislation authorising clandestine intelligence collection “was rejected on the grounds that it would be inappropriate for the United States to be on record as a participant in this kind of activity.” Foreign and Military Intelligence, Book I, Final Report, 129.

⁸⁸ For instance Magruder had previously argued that “[f]or reasons of security this function [intelligence collection] was not specified in the President’s directive” of January 1946 establishing CIG. Magruder to Patterson, “Request for Determination of the Future Status of SSU,” 4 February, 1946, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 102. According to the Church committee this precedent even dated back to the COI directive of 1941: “Thus a Directive which authorized the collection and analysis of information, together with supplementary activities “to facilitate securing of information important for national security” was interpreted within the Executive Branch as authorizing what is now known as covert action.” Foreign and Military Intelligence, Book I, Final Report, 482.

⁸⁹ See Pforzheimer’s comments in CSI, *The Origin and Development of the CIA*, 68.

⁹⁰ Troy, *Donovan and the CIA*, 389-90. Separate legislation specific to the CIA was subsequently approved with the Central Intelligence Agency Act of 1949, 20, June, 1949 printed in Warner, *The CIA under Harry Truman*, Document 53, 287-94.

⁹¹ Pforzheimer Memorandum for the Record, “Proposed Legislation for C.I.G.,” 28 January, 1947, Warner, *The CIA under Harry Truman*, Document 24, 105-9. Vandenberg corroborates this line of thought in his comments to Clifford that “any and all controversial material insofar as it referred to central intelligence which might in any way hamper the successful passage of the Act” would be removed. Foreign and Military Intelligence, Book I, Final Report, 484-5.

⁹² Zegart, *Flawed by Design*, 181-2.

⁹³ Pforzheimer Memorandum for the Record, “Proposed Legislation for C.I.G.,” 28 January, 1947, Warner, *The CIA under Harry Truman*, Document 24, 105-9, Elsey to Clifford, “Central Intelligence Group,” 14 March, 1947, Warner, *The CIA under Harry Truman*, Document 29, 127.

⁹⁴ For instance see Vice Admiral Forrest P. Sherman’s testimony to Senator Millard E. Tydings during Senate committee hearings and to Clarence J Brown before the House Committee on Expenditures in the Executive Departments in “Legislative History of the Central Intelligence Agency,” 68-9 60-1 and 72-3.

⁹⁵ Barrett, *The CIA and Congress*, 18-9, “Legislative History of the Central Intelligence Agency,” 98, Troy, *Donovan and the CIA*, 388-9.

⁹⁶ For instance, the Donovan plan stated that the new agency “shall have no police or law-enforcement functions, either at home or abroad.” Similarly JIC 239/5 and JCS 1181/5 had identically declared that the “Central Intelligence Agency shall have no police or law-enforcement functions.” Truman’s directive creating CIG stated that no “police, law-enforcement or internal security functions shall be exercised under this directive.” Donovan to Roosevelt, “Memorandum for the President,” 18 November, 1944 including the “Substantive Authority Necessary in Establishment of a Central Intelligence Service,” Troy, *Donovan and the CIA*, 445-7, of JIC 239/5 “Directive Regarding the Coordination of Intelligence Activities,” 1 January, 1945, *ibid.*, 453-4, JCS 1181/5 “Establishment of a Central Intelligence Service upon Liquidation of O.S.S.,” 18 September, 1945, *ibid.*, 459-60 and Truman to Byrnes, Patterson and Forrestal, 22 January, 1946, Leary, *The Central Intelligence Agency*, 126-7. Also see “Legislative History of the Central Intelligence Agency,” 103.

⁹⁷ Houston described unvouchered funds as “the heart and soul of covert operations.” Foreign and Military Intelligence, Book I, Final Report, 494.

⁹⁸ Minutes of the 9th Meeting of the NIA, 12 February, 1947, Warner, *The CIA under Harry Truman*, 113-21, Minutes of the 10th Meeting of the NIA, 26 June, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 319.

⁹⁹ See Warner's comments in CSI, *The Origin and Development of the CIA*, 67.

¹⁰⁰ Braden, "The Birth of the CIA."

¹⁰¹ John Warner recollected that "Congress was unwilling to put into a United States law that CIA was to be authorized to break the laws of every other country in the world. So that's why it was masked this way. The next day there was a National Security Council Directive saying 'CIA, you'll conduct espionage.'" CSI, *The Origin and Development of the CIA*, 67.

¹⁰² Helms, *A look Over My Shoulder*, 81. Clifford corroborates this in his memoirs: "The 'other' functions the CIA was to perform were purposely not specified, but we understood that they would include covert activities. We did not mention them by name because we felt it would be injurious to our national interest to advertise the fact that we might engage in such activities. We intended that these activities be separate and distinct from the normal activities of the CIA, and expected them to be limited in scope and purpose—thus the important limiting language, 'affecting the national security.'" Clark Clifford (with Richard Holbrooke), *Counsel to the President: A Memoir* (New York: Random House, 1991), 169-70.

¹⁰³ In particular Representative John Taber who chaired the House Committee on Expenditures in the Executive Departments and Senator Chad Gurney who chaired the Senate Armed Services Committee were fully informed. For details of executive branch testimony at committee hearings relating to CIA's secret intelligence mandate, see "Legislative History of the Central Intelligence Agency," 76-9, 69-70, 73, 77-8 and 80-1, Ranelagh, *The Agency*, 116, Rudgers, *Creating the Secret State*, 139.

¹⁰⁴ This tradition dated back at least to the Manhattan Project. Barrett, *The CIA and Congress*, 20.

¹⁰⁵ Ranelagh, *The Agency*, 129.

¹⁰⁶ For reviews of the Congressional debates over the CIA, see Barrett, *The CIA and Congress*, Jeffreys-Jones, *The CIA and American Democracy*, Karalekas, *History of the Central Intelligence Agency*, "Legislative History of the Central Intelligence Agency," Rudgers, *Creating the Secret State*, Smith, *The Shadow Warriors* and Troy, *Donovan and the CIA*.

¹⁰⁷ Houston informed Hillenkoetter that "A review of debates indicates that Congress was primarily interested in an agency for coordinating intelligence and originally did not propose any overseas collection activities for CIA. The strong move [by CIG] to provide specifically for such collection overseas was defeated, and as a compromise, Sections 102 (d) (4) and (5) were enacted, which permitted the National Security Council to determine the extent of the collection work to be performed by CIA." Houston to Hillenkoetter, "CIA Authority to Perform Propaganda and Commando Type Functions," 25 September, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 241.

¹⁰⁸ Jeffreys-Jones, *The CIA and American Democracy*, 40-1.

¹⁰⁹ The National Security Act of 1947 (Public Law 253- 80th Congress, Chapter 343-1st Session), Clifford Papers, Box 16, HSTL.

¹¹⁰ Foreign and Military Intelligence, Book I, Final Report, 144.

¹¹¹ Rudgers, "The Origins of Covert Action", 249.

¹¹² Jeffreys-Jones, “Why was the CIA Established in 1947?” 32-3. For examples of the counter-argument that the CIA was *not* originally established to conduct covert political warfare, see amongst others Helms, *A look Over My Shoulder*, 66, Snider, *The Agency and the Hill*, 259, Thomas, *The Very Best Men*, 28.

¹¹³ Houston to Hillenkoetter, “CIA Authority to Perform Propaganda and Commando Type Functions,” 25 September, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*. Houston recommended that “neither M.O. [‘Morale Operations’] nor S.O [‘Special Operations’] should be undertaken by CIA without previously informing Congress and obtaining its approval of the functions and the expenditure of funds for those purposes” although this was not taken up by the administration.

¹¹⁴ This is the phrase used by DCI Walter Bedell Smith in a CIA staff meeting in October 1951, when he bemoaned the eclipsing of the CIA’s intelligence functions by covert action. Office of the DCI Memo, “Staff Conference,” 22 October, 1951, Warner, *The CIA under Harry Truman*, Document 72, 435-6. Bedell Smith himself argued that “the field of cold war covert activities, including guerrilla warfare” was “probably not envisaged at the time the National Security Act of 1947 [...] was framed.” Bedell Smith Memo for the NSC, “Report by the Director of Central Intelligence,” 23 April, 1952, Warner, *The CIA under Harry Truman*, Document 78, 457-64.

¹¹⁵ Loch K. Johnson, *America’s Secret Power: The CIA in a Democratic Society* (New York; Oxford: Oxford University Press, 1989), 16-19. Also see Jeffreys-Jones, *The CIA and American Democracy*, 41, Foreign and Military Intelligence, Book I, Final Report, 129, 131-2, 144, 153, 426.

**HOLDING THE LINE:
ERP, THE COMMUNIST CHALLENGE AND THE
BUREAUCRATIC STRUGGLE OVER PSYCHOLOGICAL
WARFARE**

The creation of the National Security State ostensibly reorganised the machinery of the United States government to allow it to meet the difficult challenges of the post-war world. When the National Security Act of 1947 was passed, the Soviet Union was clearly emerging as the primary concern for American policymakers. At the time of the reorganisation, however, the Truman administration's national security policy was largely undefined and embryonic. Plans for a grand strategy for Western Europe were initiated during 1947 based on American contributions to its economic recovery and political stabilisation through the launch of the European Recovery Program. Questions remained unanswered over where this would leave American policies and objectives for the eastern part of the continent, especially as Eastern Europe and Russia were expected to reject the American aid proposal.

Despite the soundness of the strategy for Western Europe, Washington was to a large extent a prisoner to external factors. Although ERP planners anticipated some sort of a backlash from Moscow in the wake of the Marshall Plan's announcement, the scale of the

reaction caught Washington on the back foot. As a result U.S. policy and the machinery to implement it were compelled to play catch-up to the dynamic and fluid international situation on the ground in Europe. As a result, a long interim period prior to congressional ratification of the Marshall Plan placed U.S. interests in Western Europe in jeopardy as they came under subversive political attack from indigenous communist forces organised and supported by Moscow to oppose ERP.

This ushered in a period of crisis management in Washington. The reality of Cold War antagonisms after the phony war of the Truman Doctrine now posed a clear threat to vital American interests in the west. France, Italy, Germany and Great Britain all appeared vulnerable to varying degrees to the advances of communist political ideology and subversive practices. Washington officials at the highest levels responded by calling for the development of countermeasures against the communist threat to Western Europe. This was a “defensive” counter-response that did not look towards undermining communist regimes in Eastern Europe, but simply at “holding the line” in the west.

Tactically, U.S. countermeasures were intended to function as a double edged sword. On the one hand they should shore up the morale and resources of the non-communist political, cultural and labour organisations in affected countries. Simultaneously, the communist left should be undermined and discredited at every available opportunity. To do this it was immediately decided that American intervention in Western Europe should be kept hidden to minimise any grounds for communist propaganda attacks against the United States. They therefore settled on a tactic of covert “psychological warfare” based

predominantly on the secret disbursement of anti-communist propaganda and funding to pro-western groups.

However, a peacetime psychological warfare campaign could not be immediately launched because Washington did not yet have either the machinery or the authorities in place to implement these emergency measures. The Agency, recently granted legal founding, was the preferred candidate to undertake the campaign, due to its inadvertent adaptability that would allow it to incorporate a psychological warfare capability. Despite the perceived need to act swiftly to alleviate the grave political threat to its western allies, Washington became bogged down in a bureaucratic quagmire as it attempted to organise its peacetime psychological warfare capability. The process lasted from the late summer when the need for American action was initially identified, until late December when the National Security Council was finally able to adopt a compromise directive formally authorising psychological warfare operations abroad in peacetime. In the meantime diplomats and intelligence officers on the ground attempted to fill the vacuum resulting from the bureaucratic struggle back in Washington, through off-the-cuff attempts to support pro-western groups and discredit communist movements.

Although the long-anticipated top secret directive NSC 4-A was meant to resolve the bureaucratic conflict over the organisation and control of the psychological warfare campaign, it actually had the opposite effect. Effectively, residual dissatisfaction with the directive meant that it marked the beginning of the turf wars that it was supposed to end. In the immediate term the consequences of this were not too serious. Certainly

bureaucratic wrangling held up the formal intervention of the CIA mainly to the detriment of western confidence in the interim period. But *ad hoc* measures were sufficient as a stop-gap, while the CIA's objectives were clearly defined and therefore when it was finally granted sanction to intervene in Western Europe it was able to do so fairly effectively.

Instead, the opening up of bureaucratic divisions in Washington held far more serious ramifications in the longer-term. The conflict at the heart of NSC 4-A would persist and this undermined the effective organisation and implementation of a broader political warfare programme for the Cold War in the coming months and years.

The Marshall Plan and the Cominform

In July 1947, as Truman was signing the National Security Act into law, European statesmen met in Paris to discuss Secretary of State George Marshall's proposal to inject American aid into their ailing economies.¹ The embryonic European Recovery Program, heralded a shift in U.S. policy of far greater practical significance than the Truman Doctrine. The announcement of ERP demonstrated Washington's firm commitment to the preservation of friendly governments in Western Europe and duly became the cornerstone of its "containment" policy. ERP's implementation drew a political line in the sand indicating to the Soviet Union the geopolitical parameters of America's vital interests. Not only was it symbolic however, as the Marshall Plan provided a viable strategy in practical terms to build up Western Europe.

The announcement of ERP was also a watershed because it propelled the United States and the Soviet Union towards the Cold War. Although ERP was seen in mainly defensive terms by the majority of American planners, Moscow regarded it as a supreme threat to its own security. Soviet Foreign Minister Vyacheslav Molotov's rejection of ERP at the Paris conference in early July and the subsequent reaction to it in the east consigned any lingering hopes of a peacetime *modus vivendi* to history. The Kremlin quickly rallied the reluctant Eastern European regimes to reject the American aid programme and determined that ERP must be undermined by any available means short of war in the west. Meanwhile Russian predominance in the east must be consolidated to shore it off against perceived western aggressive designs. Any modicum of cooperation with the west was now abandoned and a protective ring of Eastern European buffer states was brought under the firm wing of Soviet power.

The consolidation of Soviet power in Eastern Europe and the establishment of the Soviet bloc opened up profound questions about how American foreign policy should deal with that situation. But during the autumn and winter of 1947, American priorities lay decisively elsewhere. Nine long months would pass before Congress finally approved the allocation of ERP funds and the details of the programme could be developed and finalised.² In this period prior to implementation the Marshall Plan was acutely vulnerable to communist subversion.

Several members of the State Department including George Kennan and Charles Bohlen had correctly anticipated that the Soviets would reject ERP due to the intrusive terms of

participation attached to it. They had hoped that Soviet abrogation would negate Moscow's ability to hinder the project's development and implementation.³ American officials perceived a western position of relative weakness compared to the Soviets. Therefore Russian non-interference would facilitate the strengthening of American allies in Western Europe, simultaneously staving off communist political advances in the region.

The overriding feeling among senior Washington officials was that Soviet-directed communism posed a direct threat to the west.⁴ In mid-1947 this "came primarily from political intrigues and subversion" that hoped to exploit the spreading economic disarray in Western Europe devastated by the recent war.⁵ Communist political groups now threatened to takeover power or increase their political sway in Italy, France, Germany and Great Britain through local communist parties.

The priority was therefore to ensure that the United States must "run the show" by carefully controlling the political environment to which Marshall aid would be sent.⁶ The driving principle behind the intervention was that "the approach to the political problem for the moment must be economic."⁷ Washington also hoped to avoid assuming responsibility for dividing Europe by addressing the ERP initiative to both Western and Eastern Europe.⁸ As Maier points out, the "political brilliance" of the American initiative "was that it forced the onus of any division onto Moscow."⁹ If the communist regimes rejected the proposal it would appear to the outside world to be their own doing, rather than as a result of explicit American exclusion.

Even though Washington successfully shifted the onus of responsibility for dividing Europe onto Moscow, this only scored propaganda points in the Cold War. What was salient was the long-lasting political impact of the division of Europe itself, rather than the appearance of culpability on either side. Despite the overall success of ERP in rehabilitating the west over the next several years, this undoubted accomplishment deserves to be balanced by its contribution to the origins and perpetuation of the Cold War.

For, although the Marshall Plan was designed primarily as a defensive initiative to build up an American position of strength in the west, Moscow regarded it as an aggressive ploy to undermine Soviet influence. As a result, Kennan, Bohlen and others failed to anticipate that a Russian rejection of ERP would cause at least as much trouble as its participation. The Kremlin rapidly affirmed its overarching political and economic control over the Eastern European communist regimes as a direct response to ERP. Not only this, Moscow went on the counter-attack and organised resistance to the Marshall Plan in Western Europe itself.

The communist grip on Eastern Europe was tightening even before Molotov's rejection of ERP in Paris. Brutal mass arrests of opposition figures and tightening censorship of the media in Hungary, Romania and Bulgaria went unaffected by American protestations. The U.S. lack of influence was signalled by its willingness to ratify peace treaties with the offending regimes in 1947 in any case.

Therefore the question of an American strategy for Eastern Europe was problematic before the Soviet rejection of the Marshall Plan. Washington's geopolitical impotence in the region was bemoaned by frustrated members of the State Department. The American Minister in Hungary Selden Chapin warned Secretary Marshall on 22 July that "unless something positive is done immediately, all hope of saving Hungary for the constructive part which it might play in a stabilized democratic Europe needs must be abandoned, barring unforeseen miracles." Chapin received some high-level support for his view that U.S. policy towards Eastern Europe needed urgent review. On 1 July the Director of the Office of European Affairs, H. Freeman Matthews informed Marshall that "Hungarian developments have precipitated a situation clearly posing the question whether there are effective means, short of war, by which Soviet aggression through infiltration can be successfully combated by the forces of democracy."¹⁰

Chapin, Matthews and others were raising a broader and extremely pertinent point. Soviet and communist transgressions in the east pressed home the need to develop and implement a coherent U.S. strategic approach to the continent as a whole, if its division was to be avoided. Instead, Washington chose the easier and safer option to commit American energies unilaterally to Western Europe, where it exerted primary influence and where its vital interests lay. This decision thereby brushed under the carpet the lack of a pan-continental approach.

Despite careful and extensive consideration of the strategic fallout from a Soviet rejection of ERP, its architects failed to fully grasp that the key pillars of the project would now be

vigorously challenged by communist groups in Western Europe. Moscow acted swiftly by mobilising European communist parties into the Communist Information Bureau (Cominform) over the summer of 1947 to coordinate legal and extra-legal opposition to the aid programme.¹¹

The Soviet counter-response to ERP and establishment of the Cominform was the decisive factor in the inauguration of a parallel U.S. political warfare programme.¹² Over the coming years the scope and character of American political warfare evolved, but initially it was borne out of the need to protect pro-U.S. groups in Western Europe. The Cominform's organised counter-attack exposed a soft underbelly to the ERP initiative. The most threatening aspect was the mobilisation of political activists within the French and Italian communist parties. French and Italian communists were all the more inclined to resort to extra-legal action when communist politicians were excluded from government cabinet positions at American insistence following the initial ERP discussions in the summer of 1947. This alienated local communist parties from the political mainstream in Western Europe, pushing them closer to the Soviet Union and providing greater incentive to act out of ideological rather than national interests.¹³

The creation of the Cominform resulted in an intensification of subversive activities, hostile anti-American ERP propaganda and increases in covert Soviet funding to Communist organisations in France, Italy and elsewhere. This was played out through grass-roots violence, intimidation and strike action that threatened to cripple the already debilitated post-war economies in France and Italy and bring down their centre-right

governments. As a result, by early autumn the abiding fear in Washington was not of a communist coup in Czechoslovakia or escalating oppression elsewhere in Eastern Europe, but that France and Italy might “fall” under the sway of communist regimes before ERP aid reached them. Such a scenario would be a massive blow to American prestige, it would shatter the confidence of other non-communist movements in Western Europe and would jeopardise the entire ERP initiative. Congressional ratification was based on the participation of Western Europe’s major players, while the aid programme relied on an effective cooperative inter-relationship between the Western European economies.

Washington recognised its inability to influence events on the ground in the participating Western European nations. Prior to the arrival of ERP aid and its management by the Economic Cooperation Administration (ECA), the U.S. lacked the machinery to protect and advance the flagship ERP programme underpinning its entire strategic approach to Europe. The administration therefore looked towards two forms of intervention. On the one hand overt measures were undertaken including the provision of interim aid, food shipments and the intensification of an official U.S. information programme. It was hoped that highly visible donations of economic aid could stave off communist pressures through the winter period. In late September emergency funds for an interim aid package were therefore requested from Congress to prop up the beleaguered French and Italian economies. Without provisional assistance the State Department feared that the fragile economies would collapse leaving a political vacuum that could be filled by communist politicians.¹⁴

Gradually officials recognised that overt measures must also be supplemented by the extension of clandestine assistance. Originally, the covert psychological warfare programme ranged from the production and dissemination of pro-western and anti-communist propaganda to clandestine funding of non-communist political, social and labour organisations. Two primary aims underpinned the hidden intervention. Firstly, the indigenous communist activists would be counteracted. Secondly, the populations of Western Europe needed to be convinced about the propriety of the Marshall Plan, that it was not an American pretext to control the Western European economies as communist propaganda maintained. Washington could therefore supplement the official broadcasts of the Voice of America (VOA) by covertly organising friendly western elements to promulgate America's benign intentions through local media outlets.¹⁵

The Long March to Psychological Warfare Begins

The incremental shift towards conducting peacetime psychological warfare originated with the new Secretary of Defense James Forrestal in the early autumn of 1947.¹⁶

Forrestal had expressed concern about political instability in France and Italy since as early as June 1947. He asked Truman during a cabinet luncheon how the U.S. would respond to Russian-sponsored communist coups in these countries, to which Truman had no answer.¹⁷

There are indications that by late summer the problem of political instability, if not the means of resolving it, was now a widespread concern inside the Truman administration. For instance Charles Bohlen informed Under Secretary Lovett that the "necessity" to

“devise some instrumentality to combat this [communist] penetration on its own grounds” in Western Europe was “frequently” discussed within the department. Their concerns were echoed by the first two special evaluations produced by the newly established CIA in September and November 1947. In these estimates Agency analysts argued that although open military aggression by the Soviet Union remained highly unlikely, Moscow was now deliberately conducting political, economic and psychological warfare against American interests in Western Europe.¹⁸

Originally the primary mechanism favoured by Forrestal, Lovett, Leahy and others to offset the increasingly belligerent communist political agitation was to secretly fund anti-communist political and labour groups.¹⁹ According to Bohlen, the sticking point to initiating this device “has always been to obtain such secret funds from Congress.”²⁰ But the debate was moved forward by an even more extreme proposal. Forrestal was contacted by George Kennan at the State Department in September 1947 with a proposal to create a “guerrilla warfare corps” and training school within the military establishment. Kennan argued that the administration must “face the fact” that Moscow was advancing “in many areas” by “irregular and underground methods.” Contending that “it might be essential to our security that we fight fire with fire,” Kennan attached a study prepared by two OSS veterans Franklin Lindsay and Charles Thayer laying out their views on the basis of a programme of “secret warfare” against the Soviet Union.²¹

Forrestal attempted to address the two questions of countermeasures and the requisite machinery to handle the task in one fell swoop. The Secretary of Defense turned to the

fledgling CIA to see whether it might access the unvouchered funds alluded to by Bohlen amongst others. Echoing Kennan's concerns, Forrestal stressed to Hillenkoetter that "We've got to do something to stop the Russians and their rapid spread around the world. Secretary Marshall in the State Department doesn't want State to do it, and I think he's right. The military can't do it. Could you take it on?"²²

Notwithstanding the Lindsay-Thayer proposal, these first covert measures were needed to control the perceived political crisis in Western Europe as an interim effort that complimented the goals of "containment" in the west. Former Agency official Harry Rositzke asserts that these earliest forms of political warfare "were strictly benign" and were solely "designed to strengthen the European political structure."²³ The priority at this time was not to turn these clandestine capabilities towards the east and launch a more offensive campaign against the Soviet bloc itself, but to address the faltering political constitution of the Western European nations.

Forrestal logically turned to the Agency to undertake covert political activities for practical reasons.²⁴ In this delicate field the CIA held key advantages over other agencies thanks to its institutional evolution and the mechanisms and authorities granted under the National Security Act. The jewel in the crown was the Agency's ability to expend unvouchered funds, described by the CIA's legal counsel Lawrence Houston as the "heart and soul" of covert operations.²⁵ The CIA's unfettered access to unvouchered funds allowed its operations to evade normal executive-legislative accountability procedures. This meant that the Agency offered a far greater cloak of secrecy to sensitive activities

than other organisations whose expenditures were liable to rigorous public scrutiny through Congress. There were operational advantages to using the CIA as well. The Agency already ran secret intelligence networks in Europe inherited from SSU/CIG and had preserved a nucleus of psychological and political warfare expertise. This provided a ready base from which to launch psychological and political warfare operations.²⁶

Despite these organisational advantages, Forrestal's request immediately hit a snag. The scope of activities now under consideration ranged from covert financial support to operations including the propagation of "black" propaganda. DCI Hillenkoetter objected to taking operational responsibility for such activities, fearful that they would jeopardise the Agency's primary mission recently enshrined by Congress to collect secret intelligence. He therefore turned to his legal counsel Lawrence Houston for advice after hearing Forrestal's proposition.

Houston responded on 25 September in Hillenkoetter's favour that the CIA should not take responsibility for the peacetime psychological warfare programme. Houston's legal advice therefore temporarily halted the push for covert intervention in Western Europe. Although a "review of the National Security Act reveals two provisions which might be construed as authority for CIA to engage in black propaganda" or "S.O. [special operations]" it was Houston's opinion that "either activity would be an unwarranted extension of the functions authorized" in the catch-all provisions of the legislation. Houston and Hillenkoetter knew very well that the flexibility granted by Sections 102 (d) (4) and (5) of the National Security Act related to secret intelligence and counter-

intelligence according to the intentions of Congress. Houston reminded Hillenkoetter that “approval was given to the unvouchered funds requested by the Director of Central Intelligence mainly for the specific purposes of conducting clandestine intelligence operations outside the United States.” Rejecting Forrestal’s suggestion, he emphasised that he did not believe “there was any thought in the minds of Congress that the Central Intelligence Agency under this authority would take positive action for subversion and sabotage.”²⁷

In an effort to strengthen the Agency’s refutation of responsibility for covert psychological-political warfare activities, Houston concluded that the authority to place such operations within the CIA was not vested in the executive but in the legislative branch. Neither psychological nor political warfare, he declared, “should be undertaken by CIA without previously informing Congress and obtaining its approval of the functions and the expenditure of funds for those purposes.”²⁸ Houston therefore based his rejection of the Agency’s legal authority to conduct psychological-political warfare on the congressional intentions behind the CIA’s original legislative mandate. However he added a caveat that suggested a way past this obstacle. “If the President or the National Security Council directs us to do a certain action, and the Congress funds it, you’ve got no problem. Who is there left to object?”²⁹

Hillenkoetter’s own objections were not based on legal considerations but on protecting the reputation and professional operation of his organisation. But his agreement with Houston that the CIA should not engage in psychological warfare activities, despite their

differing reasons, transiently fended off Forrestal's approaches. In due course these rebuttals proved inadequate to fend off the NSC as it became increasingly determined to counteract the threat from the extreme left in Europe.

The Convergence of SANACC and Peacetime Psychological Warfare

By September 1947 the Truman administration was holding high-level discussions on the urgent need to intervene covertly in Western Europe. The earliest conversations took place within the social networks of the Washington political elite. This did not immediately filter down to the working level staffs of the various departments and agencies, delaying the initiation of detailed strategic planning. CIA and State Department papers produced in September 1947 reflected this, failing to link Italian political and economic vulnerability to the peacetime initiation of U.S. psychological warfare.³⁰

It was actually Undersecretary of State Lovett rather than Forrestal who took the lead on addressing Italian vulnerability at the NSC's first meeting on 26 September. In so doing Lovett was following up the views expressed at a PPS meeting held the previous day.³¹ The Planning Staff discussion centred on the renewed communist pressure being applied on De Gasperi's government by parliamentary means and the possible communist seizure of northern Italy after the Allied troop withdrawal due in December.³² PPS, Lovett and the first CIA world review paper circulated at the NSC meeting all identified the grave danger of economic collapse and ensuing political instability that Italy faced at this time.³³ Communism was not blamed as the source of Italy's crisis, but it was branded the key threat that aimed to exacerbate and exploit the present economic difficulties.

Therefore the NSC members unanimously agreed that the greatest threat to U.S. interests in Italy was that economic collapse would bring about the accession to power of the Italian Communist Party (PCI). But there was no call yet to launch a psychological campaign to assist the pro-American government in Rome, possibly because Houston's legal advice rejecting CIA involvement had been tendered the day before.

The interest in a civilian programme of peacetime psychological warfare now also converged with the ongoing interdepartmental discussions regarding its wartime organisation. On 24 September, the day before Houston rejected Forrestal's approach, Hillenkoetter sent a memorandum to Sydney Souers, now Executive Secretary of the NSC, concerning the SWNCC study on the planning and employment of psychological warfare in wartime. Hillenkoetter recommended that the NSC take "immediate steps" to establish a "central organisation" that should conduct "vitally needed psychological operations" as a result of the Soviet-directed communist threat in Western Europe. Hillenkoetter suggested that this new psychological warfare organisation should be accessible through interdepartmental representation at the "policy-forming level" under NSC "guidance."³⁴

The timing of Hillenkoetter's note betrayed his narrow bureaucratic motive to divert the administration away from the Agency, rather than a consideration of strategic or national interests. Hillenkoetter did not mention any specific role for the CIA in this proposal at all. Instead he proposed that a new central agency should operate psychological warfare precisely because he hoped to steer the CIA away from this responsibility.

Hillenkoetter's recommendations pre-empted the release of the latest report SWNCC 304/6 by the reconstituted State-Army-Navy-Air Force Coordinating Committee (SANACC) Subcommittee on Special Studies and Evaluation (SSE).³⁵ Six days after the Hillenkoetter proposal the SSE report was circulated. SWNCC 304/6 also deferred a firm recommendation on the problematic issue of assigning responsibility for wartime psychological warfare until the dust had settled from the bureaucratic shake-up following passage of the National Security Act. For the moment it cautiously proposed that an interdepartmental policy and planning board should be set up under a Director of Psychological Warfare.³⁶

Unlike Hillenkoetter's memorandum, SSE continued to restrict itself to explore the matter solely in reference to times of war or the "threat of war."³⁷ Following the completion of SWNCC 304/6 a SANACC Subcommittee intended to undertake a special study of "White" programmes as well as "Black" propaganda, sabotage, conspiracy and subversion, but this too was still to be strictly wartime-based.³⁸

In contrast, Hillenkoetter suggested that the SANACC-proposed psychological warfare organisation should be linked to the Forrestal-led discussions. A new agency should be set up to conduct peacetime operations as well. In the current climate of increasing Soviet-phobia, this could be done seamlessly without having to contravene SANACC's original charter. Even though the U.S. was not at war with the Soviet Union, a strong case could now be made that it was under the threat of war due to heightened tensions and

suspicions. This arrangement would buttress Hillenkoetter's agenda of channelling responsibility for psychological warfare away from the CIA.

With this in mind Hillenkoetter approved SWNCC 304/6 on 22 October. The DCI accepted that assigning responsibility for the proposed Psychological Warfare Agency could be deferred for the present, following calls from the army representative on SANACC for closer consideration of the question to avoid any "premature" decisions. Nonetheless Hillenkoetter emphasised his personal preference to SANACC that the new Psychological Warfare Agency should be made accountable to the Joint Chiefs of Staff, tacitly indicating that the CIA had no desire to get involved.³⁹

In early October 1947 Washington received a jolt that propelled the psychological warfare debate into the foreground and entwined the divergent strands of wartime and peacetime planning. During the first week of October the administration became aware of the inaugural meeting of the Cominform convened in Poland two weeks earlier. Although communist agitation had intensified in France and Italy and in Eastern Europe since mid-summer, the reconstitution of the Communist International (Comintern) heralded a concerted new effort by Moscow to orchestrate an effective opposition against American policies in Western Europe.

The launch of the Cominform sparked a flurry of government communications attempting to assess its significance. Many of the American Embassies in Europe commented on the aggressive portents of this latest Soviet move.⁴⁰ At the U.S. Embassy

in Paris Ambassador Caffery ensured that Italy did not overshadow the threat he perceived to France, sending a stream of cables to Marshall in the weeks following the disclosure of the Cominform's existence.⁴¹ In the State Department Kennan warned Lovett that the launch of the Cominform and the anti-U.S. propaganda campaign amounted to a Soviet "squeeze play" and last-ditch attempt to defeat ERP.⁴² Bohlen agreed with this assessment and warned that Moscow now regarded France and Italy as the "chief battleground" over which to fight the recovery project.⁴³

Analysts at the Agency assessed that the establishment of the Cominform probably signalled a shift in Soviet tactics that would necessitate an American counter-response. A CIA estimate released on 13 October warned that the launch of the Cominform suggested an adjustment from the preferred Soviet strategy of parliamentary action to subversive, extra-legal measures in Western Europe. The memorandum emphasised that the principal threat to France and Italy was covert and political, rather than military in nature. Moscow was resorting to subversion and the fostering of revolution to further its interests.

Although this judgement sounded dire, the CIA qualified the threat posed by western-based communist groups. It was opined that the reversion to subversive tactics would undermine the parliamentary success of the French and Italian communist parties. Their credibility of fighting for nationalist causes would be compromised by association with the overbearing Soviets.⁴⁴ This would prove irrelevant, however, if as the CIA believed, Moscow had instructed French and Italian communists to abandon any hope of a parliamentary route to power. Both parties had now been excluded from their

governments and the Agency guessed that the Kremlin therefore wanted them to adopt far more radical and aggressive measures.⁴⁵

Interim Measures and the Bureaucratic Quagmire

Washington's assessment that the Cominform aimed to undermine ERP before its congressional ratification and implementation in Western Europe concentrated American minds. Although the parliamentary threat posed by the French and Italian communist parties was not entirely discounted, it was now widely assumed that Western European communists had shifted from an overt political and legal programme to an underground, subversive and revolutionary campaign.⁴⁶ The overwhelming opinion was that an American counter-offensive was urgently required. Despite the pressing strategic need for the official sanction of peacetime psychological warfare operations, this was completely undercut by divisive bureaucratic factors that held up formal organisation of the machinery for several months.

During the long wait for NSC authorisation of an official programme, U.S. diplomatic and military representatives in Western Europe including Ambassador Caffery in Paris and Dunn in Rome vociferously campaigned in public and behind the scenes in support of American and local non-communist interests.⁴⁷ Small-scale efforts to influence the political direction of Western Europe behind the scenes dated back to 1946. At that time SSU's James Angleton had secretly funded De Gasperi's Christian Democrats in the build up to the June 1946 Italian referendum to decide Italy's future political system. Angleton also allegedly established and financed pro-western newspapers in Italy during

this period although he later denied this claim.⁴⁸ The U.S. government had also attempted to influence the political outcome of the French and Italian elections of spring 1946 by exploiting its economic leverage over their populations with the extension of well-timed emergency loans.⁴⁹ The secret support and channelling of American funds to the non-communist labour unions in France and Italy commenced in the autumn and winter of 1947 thanks in large part to the tireless efforts of Jay Lovestone of the American Federation of Labor (AFL) and Irving Brown of the Congress of Industrial Organizations (CIO).⁵⁰

Activities were not restricted to France and Italy. For instance, Melvin Lasky also attempted to promote pro-American opinion in Germany from late 1947, especially among the German intelligentsia. Lasky was aided in this task through his connections to Michael Josselson, a member of the Information Control Division (ICD) of the Office of Military Government, United States (OMGUS). In October 1947 following the Soviet rejection of ERP and the establishment of the Cominform General Lucius Clay instructed ICD to promote western values in Germany, especially to counteract the increasingly virulent anti-American Soviet propaganda.⁵¹

In Washington the shift towards authorising an organised counter-offensive took far longer. The process began when SANACC requested expanding the scope of its study to include recommendations on peacetime psychological warfare as a result of the commotion sparked by the launch of the Cominform. This request was promptly granted, reflecting the widespread concerns in American circles over the danger posed to Western

Europe. The SANACC representatives agreed with the groundswell of opinion that peacetime measures were required without delay to counteract the increasing militancy of the communist left. As a result, on 23 October a SANACC meeting was held to appoint an *ad hoc* committee to consider and make recommendations “as a matter of urgency” on whether the U.S. should “utilize coordinated psychological measures and what organization is required.”⁵²

SANACC’s authorisation to examine the immediate need for peacetime psychological warfare was a golden opportunity for an interdepartmental approach to establish the new capability, transcending the parochial interests of individual departments and agencies. But this arrangement was confounded in due course because the various protagonists instead gravitated towards the narrower concerns of their own organisations. SANACC was undercut by the inferior rank of its members compared to many of the psychological warfare lobbyists that included senior officials like Forrestal, Souers, Hillenkoetter, Harriman, Lovett and Kennan. Therefore although SANACC studied peacetime psychological warfare, its influence was bypassed as genuine power rested with the opinions of the individual departments represented elsewhere at a more senior level.

The SANACC discussions generated interdepartmental tensions instead of resolving them, slowing down a final outcome over the organisation of peacetime psychological warfare. A process of bureaucratic attrition was set in motion in which, ultimately, the weakest actor would be compelled to take on operational responsibility for the campaign. It was inevitable, in other words, that Hillenkoetter was fighting a losing battle by the

winter. "I shall admit," he remarked in 1952, "there could not be a great deal of opposition when one's bosses, in this case the NSC, were insistent upon setting it up."⁵³ SANACC issued another report on 3 November that bemoaned Washington's inability to counteract the "all-out propaganda campaign" being waged "primarily against the United States" by the Soviet Union. SANACC 304/10 warned that the "ultimate objective" of Soviet propaganda was "not merely to undermine the prestige of the United States and the effectiveness of its national policy." The threat was more serious as Soviet actions were "designed to weaken and divide foreign opinion to a point where effective opposition to Soviet aspirations is no longer attainable by political, economic or military means." This could undermine the entire basis of the American agenda in Western Europe, and therefore SANACC recommended that Washington must immediately "develop and utilize strong and concerted measures designed to produce psychological situations and effects favourable to the attainment of U.S. national objectives."⁵⁴

SANACC 304/10 did not settle the various differences of opinion over the organisation of peacetime psychological warfare. Hillenkoetter and his Deputy Director of Central Intelligence (DDCI) Brigadier General Edwin Wright approved its recommendation to establish a separate Psychological Warfare Agency as this would protect the Agency's interest in secret intelligence. But Executive Secretary of the NSC James Lay advised Souers to reject SANACC 304/10's proposal for another new organisation.⁵⁵

At first it appears incongruous that the CIA should resist the operational responsibility for psychological warfare to such a degree. After all, CIG had aggressively expanded its

functions and duties in order to progress as an independent agency. But the CIA did everything in its power to oppose the responsibility for psychological warfare operations.

The reasons behind this were threefold. Firstly the feeling amongst the CIA's leadership was that these activities would jeopardise the security and effectiveness of the Agency's secret intelligence mission and potentially tarnish its reputation. This sense was fortified by Houston's rejection of the role on legal grounds. A third consideration was that the Agency had little to gain from undertaking peacetime psychological warfare, whereas it had profited from its earlier expansion, particularly into the secret intelligence field. Now that the Agency's status had been secured with statutory backing, it no longer needed to chase further functions to enhance its position within the bureaucracy. In fact, Hillenkoetter understood that the psychological warfare capability could prove to be a poisoned chalice. It was conceivable that taking on this duty could damage its autonomy because the departments would be keen to control the direction of such an important mission. In other words the Agency would run the operations and take the fall from any subsequent fallout from them but would not have the authority to actually direct them.

SANACC had already recognised that the Departments of State and Defense lacked the requisite expertise, personnel, training and access to unvouchered funds to conduct psychological warfare.⁵⁶ In late October two proposals now recommended the CIA as the best candidate to fulfil the peacetime psychological warfare role. On 24 October Souers sent a message to Forrestal, attaching a memorandum from Harriman which he described as "a very persuasive and accurate appraisal of the need for psychological warfare

operations to counter Soviet-inspired Communist propaganda, particularly in France and Italy.” However, the Harriman document (which unfortunately has not been recovered) left the problematic “question of appropriate organization somewhat indefinite” prompting Souers to make his own suggestions. Overt information activities of the State Department should be continued and supported. Significantly, Souers believed they should be separated from “covert activities.” These operations should be assigned to the CIA “since it already has contacts and communications with appropriate organizations and agents in foreign countries.” Furthermore, Souers believed that “sufficient unvouchered funds to initiate these activities might be obtained from CIA or the Military Establishment.” To establish overt and covert psychological warfare policy and coordinate between State and CIA activities, Souers recommended that “a full-time interdepartmental board under the chairmanship and supervision of the Department of State” should be created with military and CIA representation.⁵⁷

A second memorandum was forwarded to Truman on 26 October, two days after Forrestal received the proposal from Souers. It was prepared by a staff member in the Office of the Secretary of Defense in light of the Souers proposal. Emphasis was placed on the need to wage a broad psychological warfare campaign to counter the anti-American Soviet propaganda being conducted to great effect in Western Europe. Just as Souers had suggested, the campaign to counteract Soviet subversive activities should be assigned to the CIA because it was an “agency of the National Security Council” and had access to unvouchered funds. Its operations should be directed and coordinated with the other activities of the government through an interdepartmental board.⁵⁸

The momentum was building towards housing a peacetime psychological warfare capability within the CIA because of the undisputable operational benefits this offered.⁵⁹ But the State Department and the National Military Establishment were unable to agree on the arrangement, prolonging a final resolution of the matter despite the urgent need to launch activities in Europe. Souers and Kennan attempted to bridge the departmental divide, holding a luncheon meeting with Forrestal on 31 October to discuss the SANACC psychological warfare project.⁶⁰ Under Kennan's influence the Secretary of Defense formally changed his position four days later.

Despite approving Agency responsibility on 26 October, Forrestal and his three service secretaries and the three service chiefs agreed at a War Council meeting on 4 November that all overt and covert peacetime psychological warfare activities should be assigned to the State Department.⁶¹ Although this decision was based on the military's aversion to interfere in civilian peacetime programmes, Kennan had also persuaded Forrestal of the merits of this arrangement.⁶² On the one hand Kennan had had Forrestal's ear ever since the Long Telegram had made such a big impression on him. More importantly, Kennan's personal interest in political warfare soon placed him at the centre of the entire project. Within months he displayed absolute determination to facilitate the State Department's control over the programme in direct contrast to the wishes of his boss Secretary of State Marshall.

Wright immediately cabled the War Council's decision to Hillenkoetter that all foreign peacetime psychological warfare activities were "a primary function of the State

Department” and therefore should take place “under the direct supervision of an Assistant Secretary of State.”⁶³ Presumably Hillenkoetter was relieved to hear that the CIA had apparently narrowly avoided this unwanted and troublesome assignment.

The Final Phase: Bridging the Bureaucratic Divide

The hopes of the Agency’s leadership were ultimately dashed, however. Forrestal’s shift forced the State Department to take a decisive position in the psychological warfare debate. The situation in Europe also demanded a resolution to the bureaucratic impasse. At a meeting of the NSC three days after the War Council announcement, Marshall made an address to the Cabinet based on a resumé of the world situation that he had asked Kennan to compile on 4 November.⁶⁴ Marshall informed the NSC that the “political advance of the communists in Western Europe has been temporarily halted” representing a deterioration in the Soviet position. Although superficially this was a positive development, the ramifications might not be as two Soviet moves could be expected. Firstly, the Kremlin “will probably have to clamp down completely on Czechoslovakia, for a relatively free Czechoslovakia could become a threatening salient in Moscow’s political position.” This would remove the last modicum of non-communist political agency within the Eastern European regimes and final confirmation of the existence of two opposing blocs on the continent.

The NSC was more directly concerned by the projected consequences for Western Europe of the worsening Soviet position. Again Marshall struck a pessimistic tone, despite the apparent success of Western European non-communist groups thus far to

confound the political agitation coordinated by the Cominform. The Secretary of State warned that as a result of its deteriorating position, Moscow “may very likely order the communist parties in France and Italy to resort to virtual civil war as soon as our right to have troops in Italy expires.”⁶⁵ This he feared might also lead to communist guerrillas intensifying their efforts against the Monarchist forces in the civil war in nearby Greece.⁶⁶ This echoed Kennan’s own warning to students at the National War College that “immediate [Soviet] plans today probably envisage the consolidation of their power in Czechoslovakia as soon as possible, and the actual seizure of power by violent means in Greece and Italy and France.”⁶⁷

At a further meeting of the NSC on 14 November the administration determined “to open a counterattack upon Soviet propaganda.”⁶⁸ A consensus already existed prior to this meeting that a “counterattack” was necessary.⁶⁹ But significantly, the State Department now asserted its position, meaning that the organisation of the campaign could now finally be decided. Thwarting Kennan’s wishes, Marshall opposed the War Council’s decision to place responsibility for peacetime psychological warfare in the State Department. James Lay recounted that Marshall “was greatly concerned that the Secretary of State should not be identified” with such activities.⁷⁰ His suspicions were heightened by the word “warfare” in the title of the latest SANACC report, stimulating an instinctive feeling in the old general that such activities should not be controlled by a civilian department.

Marshall's stance was not a rejection of State Department control over psychological warfare *policy*. This question was not yet addressed because the NSC discussion was based on the latest SANACC report on the organisation of a new Psychological Warfare Agency.⁷¹ Hence Lovett and Hillenkoetter both attempted to placate Marshall by assuring him that "the intent was only to ensure that all psychological activities were coordinated with our foreign policy and our information program." Due to Marshall's objections the NSC deferred a decision on the organisational responsibility for peacetime psychological warfare but declared that the Secretary of State would be given "responsibility for general coordination of all such activities."⁷²

At the same meeting the NSC also discussed policy towards Italy. But NSC 1/1, the policy paper on Italy subsequently approved by the Council, was addressed in isolation of the earlier psychological warfare discussion. Because the debate over peacetime psychological warfare was still stuck on the organisational question of who would house it, its strategic implementation was not yet assessed. Prepared in the State Department prior to the meeting, much of NSC 1/1 referred to U.S. policy in the event of a communist seizure of northern Italy or the whole of the country through civil war. Secretary Symington dominated the ensuing discussion with questions relating to technical military matters such as the advisability of U.S. Air Force training flights over Italian territory at that time.⁷³ The paper did not address the parliamentary threat of the PCI or the threat to the prospective aid programme posed by communist subversive activities.⁷⁴ However, it did urge Washington to actively "combat Communist

propaganda in Italy by an effective U.S. information program and by all other practicable means, including the use of unvouchered funds.”⁷⁵

By mid-November it was clear that the failure to reach a final decision on the organisation of the peacetime activities was hampering strategic consideration of its implementation. The Department of Defense had completely distanced itself from peacetime activities, thwarting Hillenkoetter’s suggestion to SANACC that the military take responsibility. The State Department, through Marshall, had also rejected operational responsibility for psychological warfare, but Lovett and Kennan made clear that it should at least exercise primary influence over psychological warfare policy.

As a result of Marshall’s position it was formally decided to separate operational responsibility for overt and covert psychological warfare by assigning these functions to different organisations. The NSC charged the State Department with responsibility for conducting overt information activities. According to NSC 4 Moscow was “conducting an intensive propaganda campaign directed primarily against the US and [was] employing coordinated psychological, political and economic measures designed to undermine non-Communist elements in all countries.” The NSC asserted that the “present world situation requires the immediate strengthening and coordination of all foreign information measures of the US Government designed to influence attitudes in foreign countries in a direction favourable to the attainment of its objectives and to counteract the effects of anti-US propaganda.”⁷⁶ Although the organisation of U.S. information

measures at NSC-level had been anything but “immediate” the State Department now formally accepted responsibility for America’s overt informational activities.

Resolving which agency should take responsibility for the separated covert psychological warfare campaign proved far more problematic. The departments decided by default more than preference that the CIA should conduct covert operations, despite its own reluctance. The remaining sticking point concerned the scope and nature of external oversight and policy control of the Agency’s peacetime psychological warfare capability. While the Agency bowed to the inevitable and accepted its responsibility for covert measures it was determined to resist departmental encroachment of its independence. In particular Hillenkoetter was determined to retain authority over the activities the Agency was charged with conducting.

Deputy Director Wright’s frustration over intrusions on the Agency’s sovereignty boiled over when the NSC staff proposed that a special panel of departmental representatives should be placed within the CIA to oversee psychological warfare operations. In a communiqué to the CIA representative on the NSC staff he lambasted the special panel proposal, arguing that external interference would jeopardise the security of the Agency’s secret intelligence operations. “To sabotage this principle [of sole CIA responsibility for clandestine intelligence]” declared Wright, “can only lead to chaos in this type of operation.”⁷⁷

Souers responded swiftly to this gripe to nip in the bud a fresh bureaucratic dispute.

Three days after Wright's outburst Souers reassured the Agency that the proposed NME panel would not interfere in the day-to-day running of operations once general approval had been given. Souers himself supported the concept of a panel but only if it was restricted to giving "advice" to the Agency. The NSC, he felt, should be charged with authority for the overall direction of psychological warfare policy.⁷⁸ Hillenkoetter accepted the concept of a "special panel," but on the condition guaranteed by Souers that such a board would be strictly advisory-based.

The NSC staff continued to work on a psychological warfare directive and produced a draft of NSC 4-A made available to Hillenkoetter on 9 December. The Agency objected to its wording, especially the requirement that it must obtain "approval of all policy directives and major plans for such operations by a panel to be designated by the National Security Council." The DCI also had to ensure that operations were coordinated "with the senior U.S. diplomatic and military representatives in each area which will be directly affected by such operations."⁷⁹

Hillenkoetter responded six days later in a memorandum to Souers requesting that "consideration be given to rewording paragraph 3.b." relating to the coordination of CIA activities with U.S. military and diplomatic representatives. Hillenkoetter suggested modification of the offending paragraph to read that the "senior U.S. diplomatic representative in each area, and the military commander in each occupied area, will be kept informed of psychological operations being conducted in areas under their

jurisdiction.” This would, he hoped, both “satisfy the intent of the original wording” and provide “greater security to our organized covert operations.”⁸⁰ Hillenkoetter’s suggestion was accepted and assimilated into the final document.

The panel concept that the Agency had agreed to after reassurance from Souers was now dropped altogether from NSC 4-A. This was significant as it gave the CIA rather than the departments basic policy control over the implementation of peacetime covert psychological warfare activities. A legacy of bureaucratic conflict resulted from this arrangement because the departments would not accept their loss of authority to the CIA which was, after all, the new kid on the block.

Ironically, the decisive intervention resulting in deletion of the advisory panel from the final directive was made by the departments and in particular by Secretary of State Marshall and Secretary of the Army Royall.⁸¹ Secretary Royall believed it was unnecessary to have an intermediary panel between the NSC and the DCI. The greatest irony, however, was that Marshall cast the deciding blow to the panel concept channelling considerable influence over the CIA’s covert psychological warfare programme *away* from the departments. Marshall worried that State representation on the panel would compromise the department’s flagship policy, ERP. Exposure of the CIA’s responsibility for controversial covert activities could be linked back to the State Department if it had formal representation on a guidance panel within the Agency. This could tarnish the department’s reputation and undermine the credibility of the recovery program. So although NSC 4 charged the Secretary of State to coordinate the

department's overt psychological warfare activities with the covert operations of the CIA, Marshall decided that in fulfilling this obligation it was preferable to use less visible informal channels. Thus the State Department would be buffered from outward links to any "dirty tricks" conducted by the CIA.⁸²

Marshall's decision conflicted with Kennan's view, although the PPS director was placated by the fact that the Secretary of State expected him to be one of the primary informal channels into the CIA's operations. The conflicting views of Marshall and Kennan regarding policy control of covert psychological warfare persisted to the final adoption of NSC 4-A. A briefing memorandum circulated on 17 December, the same day that Marshall rejected the panel concept, reveals that the State Department and its boss staked contrary positions just as the NSC at last approved NSC 4-A. This paper accepted the CIA's operational responsibility for conducting peacetime covert psychological warfare "provided that the approval of all policy directives and major plans are obtained from a panel to be designated by the Council." Kennan expected the State Department to exert significant influence over the direction of covert operations in peacetime through its representation on the CIA panel:

[...] Mr. Kennan indicates that whereas it is desirable to establish the authority for the proposed operations, the Council should be frankly informed that before giving our consent to any such activities we would wish to consider most carefully the need therefore. Furthermore, we would want to examine the situation in all its aspects in case of any suggested operation, and to judge each case strictly on its merits.⁸³

Hillenkoetter dreaded this type of set-up that housed operations in the CIA but gave control over their direction to external authorities. He realised that it would "be practically impossible for the strategists to tell him *what* they wished him to do without

insisting also upon telling him *how* he should do it.”⁸⁴ Despite Souers’s reassurances to the Agency, departmental feeling below the Secretary level was that “intrusive” control over the CIA programme was required. Ironically the only reason why this arrangement was not secured under NSC 4-A was because Marshall and Royall intervened against the advice of their own departments.

The End of the Beginning: The Adoption of NSC 4-A

A dramatic flurry of activity in mid-December finally unblocked the bureaucratic bottleneck over NSC 4-A’s adoption. The Agency’s concerns over potential infringements of its authority were overcome, allowing formal arrangements for the organisation of peacetime psychological warfare activities to finally be approved. On 17 December, the same day that the charter on overt activities was adopted, the top secret annex NSC 4-A was quietly approved.⁸⁵

NSC 4-A charged the CIA with operational responsibility for peacetime covert psychological warfare. The Council denounced the anti-American activities conducted by the Soviet Union in even more fervent language than it did in NSC 4:

The National Security Council, taking cognizance of the vicious psychological efforts of the USSR, its satellite countries and Communist groups to discredit and defeat the aims and activities of the United States and other Western powers, has determined that, in the interests of world peace and U.S. national security, the foreign information activities of the U.S. Government must be supplemented by covert psychological operations.⁸⁶

Paragraph 3 of the directive was shorn of the panel arrangement. Under the amendment, the Agency also appeared to be vested with primary authority over covert psychological warfare policy:

The Director of Central Intelligence is charged with ensuring that such psychological operations are consistent with U.S. foreign policy and overt foreign information activities, and that appropriate agencies of the U.S. Government, both at home and abroad (including diplomatic and military representatives in each area), are kept informed of such operations which will directly affect them.⁸⁷

It therefore appeared that the Agency had emerged victorious from the administrative skirmishes over psychological warfare. NSC 4-A ostensibly gave the CIA “a free hand as well as full responsibility” for conducting covert psychological warfare in peacetime.⁸⁸ This was a Pyrrhic victory for DCI Hillenkoetter who had hoped to avoid any CIA responsibility for such activities. But NSC 4-A’s language ostensibly assured the Agency’s sovereignty. This was enhanced by the unforeseen bonus that the departmental panel concept had been abandoned at the last minute. The only possible loophole facilitating departmental intrusion within the directive itself was the provision in NSC 4 that the Secretary of State should coordinate overt and covert activities. But this was balanced with the DCI’s responsibility under NSC 4-A to ensure consistency between U.S. overt and covert measures.

With the authorities vested under the National Security Act of 1947 and NSC 4-A, it seemed that the CIA was now emerging as the powerful, independent, operations-oriented organisation originally advocated by Donovan. It was ironic that the greatest resistance to this rebirth came from the Agency itself. But Hillenkoetter immediately set about undertaking his new responsibilities under NSC 4-A, instructing the head of OSO

Donald Galloway to “take immediate steps to prepare a plan for the conduct of covert psychological operations, utilizing wherever practicable existing facilities of your office and the other offices of this Agency.”⁸⁹ This instruction was set against the background of new reports warning of the concerted Soviet-directed communist campaign of “disorders, strikes and sabotage” in France and Italy.⁹⁰ On the same day that Hillenkoetter instructed Galloway to begin immediate preparations a special operations group under James Angleton left for Italy to launch the American campaign of covert support to non-communist groups in Western Europe.⁹¹

Superficially, NSC 4-A also resolved over three months of bureaucratic wrangling within the Truman administration over the organisation and direction of peacetime covert psychological warfare measures. Although senior government officials had identified the urgent need for an American campaign to offset communist subversion in Western Europe as early as the summer of 1947, reaching formal agreement over its organisation was a divisive and convoluted process. Although NSC 4-A superficially heralded a unified arrangement, it remained to be seen whether the departments, and in particular the State Department, would accept minimal policy control over psychological warfare once planning and implementation of the campaign began. Alternatively the State Department, below Secretary Marshall at least, might attempt to exert its control over the direction of the programme through informal channels.

There was an inauspicious sign for the Agency that the turf war over the control of psychological warfare was going to be exacerbated and not resolved by NSC 4-A. The

State Department's Policy Planning Staff under George Kennan were beginning to take an active interest in the use of unorthodox capabilities in the Cold War. Kennan had been preoccupied with the overt aspects of ERP since the summer of 1947. He now received one of just three copies of the top secret directive NSC 4-A, indicating an expectation within the administration that PPS should exert some influence over peacetime covert psychological warfare operations. This proved to be the case, but in so doing the implementation of NSC 4-A stimulated fresh disputes over the responsibility and control of Washington's political warfare programme.

Endnotes

¹ A copy of the Marshall Plan speech at Harvard University, 5 June, 1947, is available online at: http://www.georgemarshall.org/It/speeches/marshall_plan.cfm

² Truman signed the Foreign Assistance Act of 1948 on 3 April, 1948, ratifying ERP.

³ Melvyn P. Leffler, "The United States and the Strategic Dimensions of the Marshall Plan", *Diplomatic History*, Vol. 12, No. 3 (Summer 1988), 283.

⁴ Clark Clifford Oral History, HSTL, 213-4, 253-5.

⁵ Paul H. Nitze, *From Hiroshima to Glasnost: At the Center of Decision: A Memoir* (London: Weidenfeld and Nicolson, 1990), 48.

⁶ Dean Acheson, *Present at the Creation: My Years in the State Department* (London: Hamilton, 1970), 232.

⁷ This principle was agreed upon in a PPS staff meeting on 15 May, 1947. See the footnotes to the Kennan Memo, 16 May, 1947, *FRUS, the British Commonwealth; Europe*, 1947, Volume III (Washington, D.C.: United States Government Printing Office, 1972), 220.

⁸ See John D. Hickerson Oral History, HSTL.

⁹ Charles S. Maier, "The Marshall Plan and the Division of Europe," *Journal of Cold War Studies*, Vol. 7, No. 1 (Winter 2005), 172.

¹⁰ H Freeman Matthews to the Secretary of State, 1 July, 1947, *FRUS, Eastern Europe; the Soviet Union*, 1947, Volume IV (Washington, D.C.: United States Government Printing Office, 1972), 329-33.

¹¹ The inaugural meeting of the Communist Information Bureau convened at Wilizja Gowa in Poland on 22-3 September, 1947. Representatives of the Communist Parties of Yugoslavia, Bulgaria, Romania, Hungary, Poland, the Soviet Union, France, Czechoslovakia and Italy attended.

¹² Carolyn Eisenberg describes the establishment of the Cominform as the "watershed moment" in post-war Europe. By this Eisenberg refers not only to American fears of vulnerability in France and Italy but also to the impact on U.S. policy towards Germany and the move away from accepting negotiated deals on unification with Moscow at the upcoming London Council of Foreign Ministers meeting. See Carolyn Woods Eisenberg, *Drawing the Line: The American Decision to Divide Germany, 1944-1949* (Cambridge: Cambridge University Press, 1996), 348-61. Also see Eisenberg, "Rethinking the Division of Germany", Allen Hunter (ed.), *Rethinking the Cold War* (Philadelphia: Temple University Press, 1998), 51.

¹³ Caffery to Marshall, 17 October, 1947, *FRUS*, 1947, III, 778.

¹⁴ Kennan, "Situation with Respect to European Recovery Program," 4 September, 1947, Acting Secretary of State Lovett to Truman, 6 September, 1947, and first meeting of the Advisory Steering Committee, 9 September, 1947, *FRUS*, 1947, III, 397-405, 410-11 and 470. Also see Wilson D. Miscamble, *George F. Kennan and the Making of American Foreign Policy, 1947-1950* (Oxford; Princeton: Princeton University Press, 1992), 65 and Robert A. Pollard, *Economic Security and the Origins of the Cold War 1945-1950* (New York; Guildford: Columbia University Press, 1985), 146-9.

¹⁵ W. Scott Lucas, *Freedom's War: The US Crusade against the Soviet Union 1945-1956* (Manchester: Manchester University Press, 1999), 40.

¹⁶ An exact “turning point” is difficult to locate- State Department historians have acknowledged that the documentation on psychological and political warfare in this gestation period “is fragmentary and episodic, and it appears that many early records no longer exist.” See the introduction to the section on psychological and political warfare in United States Department of State, *FRUS, Emergence of the Intelligence Establishment, 1945-1950* (Washington, D.C.: United States Government Printing Office, 1996).

Jeffreys-Jones claims that Donovan (now outside of government) initially lobbied Forrestal to bolster French anti-Communist trade unions and activists with covert support. Forrestal then discussed the possibility of covert funding in Western Europe for propaganda purposes with Leahy. Rhodri Jeffreys-Jones, *The CIA and American Democracy* (London; New Haven: Yale University Press, 1989), 49-52. Other historians who also point to Forrestal as the earliest champion of peacetime psychological warfare include Sarah-Jane Corke, “George Kennan and the Inauguration of Political Warfare,” *Journal of Conflict Studies*, Vol. 26, No. 1 (Summer 2006), 102-3, Peter Grose, *Gentleman Spy: The Life of Allen Dulles* (Amherst: University of Massachusetts Press, 1996), 259-82, Miscamble, *Kennan*, 107 and John Ranelagh, *The Agency: The Rise and Decline of the CIA* (Sevenoaks: Sceptre, 1988), 115.

¹⁷ Walter Millis (ed.), *The Forrestal Diaries: The Inner History of the Cold War* (London: Cassell, 1952), 274.

¹⁸ Lucas, *Freedom’s War*, 43.

¹⁹ According to Harry Rositzke, an OPC/CIA veteran, the “principal challenge to the covert operators in concealing official sponsorship of all these actions lay in keeping secret the source of the funds involved.” This would be done by “making established foundations available as a conduit for “private” grants and subsidies and by establishing dummy foundations [...]” Harry Rositzke, *The CIA’s Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), 160-1.

²⁰ Bohlen to Lovett, “Unaccounted funds to assist non-Communist forces in Europe,” 6 September, 1947, NARA, RG 59, Records of Ambassador Charles E. Bohlen, 1942-71, Box 5. Bohlen’s recommendations in this memo have unfortunately been censored.

²¹ Townsend Hoopes and Douglas Brinkley, *Driven Patriot: The Life and Times of James Forrestal* (New York: Alfred A. Knopf, 1992), 311.

²² Forrestal quoted by Lawrence Houston in CSI, *The Origin and Development of the CIA*, 65.

²³ Rositzke, *The CIA’s Secret Operations*, 186. Another Agency veteran Ray Cline agrees with Rositzke’s assessment: “Opinion in 1948 in Washington was that this effort to stabilize Western Europe against the threat of Soviet assaults on Italy, France, and Germany would fail unless Soviet support of local Communist parties could be exposed and countered.” See Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington: Acropolis Books, 1977), 97-100.

²⁴ Michael Warner, “The CIA’s Office of Policy Coordination: From NSC 10/2 to NSC 68,” *Intelligence and Counterintelligence*, Vol. 11, No. 2 (1998), 212.

²⁵ United States Senate, *Foreign and Military Intelligence, Book I, Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities* (Washington: United States Government Printing Office, 1976), 494.

²⁶ On this point also see Anna Karalekas, “History of the Central Intelligence Agency”, William Leary (ed.), *The Central Intelligence Agency: History and Documents* (University: University of Alabama Press, 1984) 40-1.

²⁷ William Colby substantiates this view in his memoirs that under the statutory charter establishing the Agency, its sanction to carry out of “services of common concern” was “understood to be a euphemism for espionage and counterintelligence.” Colby asserts that “Truman had not taken up this suggestion [by Donovan to authorise “subversive operations abroad”] in setting up the CIG, nor was it now included in the CIA’s charter. American intelligence was launched instead toward a quiet future.” William Colby and Peter Forbath, *Honourable Men: My Life in the CIA* (London: Hutchinson, 1978), 70-1.

²⁸ Houston to Hillenkoetter, “CIA Authority to Perform Propaganda and Commando Type Functions,” 25 September, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 241.

²⁹ See Walter Pforzheimer interview in D. H. Berger, “The Use of Covert Paramilitary Activity as a Policy Tool: An Analysis of Operations Conducted by the United States Central Intelligence Agency, 1949-1951,” (Federation of American Scientists) available online at <http://www.fas.org/irp/eprint/berger.htm>.

³⁰ PPS/8, “United States Policy in the Event of the Establishment of Communist Power in Greece,” 18 September, 1947, PPS/9, “Possible Action by the U.S. to Assist the Italian Government in the Event of Communist Seizure of North Italy and the Establishment of an Italian Communist “Government” in that Area,” 24 September, 1947, Anna Kasten Nelson (ed.), *The State Department Policy Planning Staff Papers, Volume I, 1947-1949* (New York: Garland, 1983), 91-107. Also see CIA 1 “Review of the World Situation as it Relates to the Security of the United States,” 26 September, 1947, Truman Papers, PSF, Box 176, HSTL. A draft copy of this review, dated 12 September, 1947, can be found in Truman Papers, NSC, Box 4, HSTL.

³¹ Walter Millis (ed.), *The Forrestal Diaries: The Inner History of the Cold War* (London: Cassell, 1952), 309-10.

³² PPS Minutes, 25 September, 1947, RG 59, Records of the Policy Planning Staff 1947-1953, Box 32, NARA.

³³ CIA 1 “Review of the World Situation as it Relates to the Security of the United States,” 26 September, 1947, Truman Papers, PSF, Box 176, HSTL.

³⁴ Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (London; University Park: Pennsylvania State University Press, 1990), 253-4.

³⁵ The group was originally called the Subcommittee on Psychological Warfare (PWC) but was renamed SSE on 5 June, 1947.

³⁶ Darling, *The Central Intelligence Agency*, 252-3.

³⁷ H. W. Mosely (State’s representative on SANACC and its chairman) to Marshall, 6 October, 1947, RG 59, SWNCC Case Files LM 54 Roll 26, NARA, Mosely to Lovett, 15 October 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 242.

³⁸ Subcommittee memo to SWNCC, “Psychological Warfare,” (undated), RG 59, SWNCC Case Files LM 54 Roll 26, NARA.

³⁹ Hillenkoetter to SANACC, 22 October, 1947, and Pixtou Memo, undated, transmitted 20 October, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Documents 244 & 243.

⁴⁰ Caffery (Paris) to State, 5 October, 1947, Cannon (Belgrade) to State, 6 October, 1947 and Griffis (Warsaw) to State, 7 October, 1947, RG 218, Leahy Chairman’s File, Box 19, NARA.

⁴¹ See for example three cables sent from Caffery to Marshall dated 17 and 30 October and 3 November, 1947, in *FRUS*, 1947, III, 778, 795-7 and 797-8.

⁴² Kennan to Lovett, 6 October, 1947, RG 59, PPS, Box 8, NARA.

⁴³ Bohlen draft memo "Preliminary analysis of announcement of revival of Eur Comintern," 7 October, 1947, RG 59, Bohlen Records, Box 7, NARA.

⁴⁴ ORE 21/1 "Probable Soviet Reactions to a US Aid Program for Italy," 5 August, 1947, posited that communist resort to sabotage and subversion would be counter-productive to their cause and would only be used if a legal accession to power appeared futile. Truman Papers, PSF, Box 214, HSTL. CIA 2 "Review of the World Situation as it Relates to the Security of the United States," 14 November, 1947, reiterated that the communist adoption of these tactics continued to hurt its parliamentary chances. Truman Papers, PSF, Box 176, HSTL.

⁴⁵ CIA Special Evaluation No. 21 "Implications of the new Communist Information Bureau," 13 October, 1947, Truman Papers, NSC, Box 4, HSTL. A draft of this memo was forwarded by Hillenkoetter to Truman on 10 October, 1947. RG 218 Leahy Chairman's File, Box 20, NARA.

⁴⁶ CIA Special Evaluation No 22 "Deterioration of the Communist Political Position in Western Europe," 7 November, 1947, Truman Papers, NSC, Box 4, HSTL.

⁴⁷ Roy Godson, *Dirty Tricks or Trump Cards: US Covert Action and Counterintelligence* (New Brunswick: Transaction Publishers, 2001), 31-2, *FRUS*, 1947, III, 933-5.

⁴⁸ Robin W. Winks, *Cloak and Gown: Scholars in the Secret War, 1939-1961* (New Haven; London: Yale University Press, 1987), 380-1.

⁴⁹ Pollard, *Economic Security*, 73.

⁵⁰ For example see Trevor Barnes, "The Secret Cold War: The C.I.A. and American Foreign Policy in Europe, 1946-1956," *The Historical Journal*, Part I, Vol. 24, No. 2 (June 1981), 413, Tom Braden, "I'm Glad the CIA is 'Immoral'," *The Saturday Evening Post* (20 May, 1967).

⁵¹ Giles Scott-Smith, "The 'Masterpieces of the Twentieth Century' Festival and the Congress for Cultural Freedom: Origins and Consolidation 1947-52," *Intelligence and National Security*, Vol. 15, No. 1 (Spring 2000), 123.

⁵² SANACC memo, 24 October, 1947, RG 59, SWNCC Case Files LM 54 Roll 26, NARA.

⁵³ Hillenkoetter was referring specifically to the creation of OPC in 1948 to conduct the expanded political warfare campaign but the point was the same that resistance was futile when the fledgling CIA was sandwiched between two government heavyweights. Darling, *The Central Intelligence Agency*, 253-4.

⁵⁴ SANACC 304/10 "Psychological Warfare," 3 November, 1947, RG 59, SWNCC Case Files LM 54 Roll 26, NARA.

⁵⁵ Lay to Souers, 3 November, 1947, *FRUS*, *Emergence of the Intelligence Establishment, 1945-1950*, Document 246. Also see Darling, *The Central Intelligence Agency*, 255.

⁵⁶ Mosely (State's representative and chairman of SANACC) to Lovett, 15 October, 1947, *FRUS*, *Emergence of the Intelligence Establishment, 1945-1950*, Document 242.

⁵⁷ Souers to Forrestal, 24 October, 1947, *ibid.*, Document 245.

⁵⁸ Ohly to Truman, 26 October, 1947, RG 59, SWNCC Case Files LM 54 Roll 26, NARA.

⁵⁹ William Donovan, now returned to his civilian career in law, unsurprisingly also endorsed the CIA engaging in “the field of Black operations” during consultations with Deputy Director Edwin Wright. Wright to Hillenkoetter, 4 November, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 247.

⁶⁰ Kennan to Lovett, 31 October, 1947, RG 59, PPS, Box 33, NARA.

⁶¹ Darling, *The Central Intelligence Agency*, 256.

⁶² At a meeting of the NSC ten days later Secretary Royall, speaking also on behalf of Forrestal and Symington informed the Cabinet that it was their view that the NME should not “have a part in those [peacetime psychological warfare] activities.” Meeting of the NSC, 14 November, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 250.

⁶³ Wright to Hillenkoetter, 4 November, 1947, *ibid.*, Document 248.

⁶⁴ PPS/13, “Resumé of World Situation,” 6 November, 1947, Nelson, *PPS Papers I*, 129-136.

⁶⁵ For Marshall’s comments to the NSC, based on PPS/13, see the footnotes to the printed copy of PPS/13 contained in *FRUS, General; The United Nations*, 1947, Volume I (Washington, D.C.: United States Government Printing Office, 1973), 770-1.

⁶⁶ Millis, *The Forrestal Diaries*, 326-8.

⁶⁷ George Kennan, “What is Policy?” 18 December, 1947, Giles D. Harlow and George C. Maerz (eds.), *Measures Short of War: The George F. Kennan Lectures at the National War College 1946-47* (Washington, DC: National Defense University Press, 1991), 295-318.

⁶⁸ Darling, *The Central Intelligence Agency*, 248.

⁶⁹ Wright to Hillenkoetter, 4 November, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 247.

⁷⁰ Lucas, *Freedom’s War*, 47.

⁷¹ SANACC 304/11 “Psychological Warfare,” 7 November, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 249.

⁷² Meeting of the NSC, 14 November, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 250.

⁷³ Minutes of the Meeting of the NSC, 14 November, 1947, Truman Papers, PSF, Box 176, HSTL.

⁷⁴ These issues would not be the subject of a NSC policy paper until the adoption of NSC 1/3 “Position of the United States With Respect to Italy in the Light of the Possibility of Communist Participation in the Government by Legal Means,” 8 March, 1948 (approved by the NSC on 12 March), available in *FRUS, Western Europe*, 1948, Volume III, 775-9.

⁷⁵ NSC 1/1 “The Position of the United States with Respect to Italy,” 14 November, 1947, Truman Papers, PSF, Box 176, HSTL. An abridged version of this paper is available in *FRUS*, 1947, III, 724-6.

⁷⁶ NSC 4 “Coordination of Foreign Information Measures,” 17 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 252.

⁷⁷ Wright to Chief of the Interagency Coordinating and Planning Staff, CIA, Childs, 2 December, 1947, *ibid.*, Document 251.

⁷⁸ Darling, *The Central Intelligence Agency*, 259.

⁷⁹ Souers to the Members of the NSC, 9 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 253.

⁸⁰ Hillenkoetter to Souers, 15 December, 1947, *ibid.*, Document 254.

⁸¹ Darling, *The Central Intelligence Agency*, 260, Souers to the NSC, 16 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 255.

⁸² See Darling, *The Central Intelligence Agency*, 260-1.

⁸³ Department of State Briefing Memorandum, 17 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 256.

⁸⁴ Darling, *The Central Intelligence Agency*, 250.

⁸⁵ Symbolically, Congress also passed the Foreign Aid Act of 1947 on 17 December. This secured interim aid for the beleaguered economies of Western Europe, representing approval on the same day of the two key strategies devised by Washington to stave off the communist challenge until ERP funds could be poured into the region.

⁸⁶ NSC 4-A, "Psychological Operations," 17 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 257.

⁸⁷ Souers to Hillenkoetter, 17 December, 1947, *ibid.*, Document 257.

⁸⁸ Darling, *The Central Intelligence Agency*, 261.

⁸⁹ Hillenkoetter to Galloway, 22 December, 1947, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 258.

⁹⁰ CIA 3 "Review of the World Situation as it Relates to the Security of the United States," 17 December, 1947, Truman Papers, PSF, Box 176, HSTL.

⁹¹ Corke, "George Kennan and the Inauguration of Political Warfare," 104.

**COLD WARS IN EUROPE AND WASHINGTON:
ADMINISTRATIVE CONFLICT AND THE
INAUGURATION OF POLITICAL WARFARE**

The adoption of NSC 4-A in December 1947 was intended to end an acrimonious bureaucratic struggle overshadowing the development of peacetime political warfare since mid-1947. Pre-adoption differences between the CIA and the Departments of State and Defense were gradually ameliorated over several months by a process of bureaucratic attrition. A final resolution over the organisation of a psychological warfare capability was demanded by the deteriorating political stability of Western Europe and the need for American intervention through unorthodox and hidden methods.

NSC 4-A did not therefore resolve the fundamental disagreements between the institutions with a stake in covert operations over the control and responsibility for them. There could be no such mediation of these divergent agendas post-adoption as planning and implementation of the covert psychological warfare programme began. For this reason, as soon as the Special Procedures Group within the CIA initiated covert activities in Europe as mandated under NSC 4-A, the bureaucratic feud over control of these activities was rejuvenated.

Four rival groups emerged as prominent political warfare lobbyists. The Department of State, the CIA, the Intelligence Survey Group (ISG) and the Armed Services held disparate views on the proper organisation and direction of the secret intervention programme. As a result, the divisions and conflicts within the administration during the evolution from NSC 4-A to the adoption of a new directive NSC 10/2 in June 1948 eclipsed the previous disputes over psychological warfare. This left considerable doubt over whether the Agency would retain its hard-fought advantage over the departments in terms of its control over covert operations.

The dispute was exacerbated by the conceptualisation of a new programme within the State Department's Policy Planning Staff. After the ratification of ERP by Congress and the initiation of the Marshall Plan Western Europe's political stability appeared more secure. This led Kennan's PPS to consider the inauguration of a campaign controlled by the State Department and directed not only at Western Europe but at the entire continent to promote American interests and undermine the ruling communist regimes in Eastern Europe under heavy Soviet influence.

The new project, coined political warfare, incorporated the elements of SPG's current activities under a broader and more dynamic conceptualisation of American approaches to the Cold War. This entailed an infringement of the CIA's jurisdiction as authorised by NSC 4-A, inevitably resulting in a further clash between the two institutions that again delayed the formal organisation of a political warfare campaign. Of far greater importance, the failure to overcome bureaucratic differences significantly affected the

way in which the political warfare capability was finally organised and mobilised under NSC 10/2. The profound clash of bureaucratic agencies over the organisation of political warfare overshadowed strategic considerations of its employment. Parochial institutional concerns took precedence over broader national strategic planning. This left a lasting organisational and strategic legacy that influenced the political warfare campaign waged by the Office of Policy Coordination from late 1948 onwards.

SPG and the Initiation of Covert Psychological Warfare

Under the mandate of NSC 4-A the CIA established the Special Procedures Group (SPG) within the Office of Special Operations to conduct peacetime covert psychological warfare operations. Although policymakers had felt that the need for covert intervention to safeguard the American position and contain Soviet expansionism in Western Europe during the autumn and winter of 1947, events on the ground seemed to have stabilised by the turn of the year. This was reflected by SPG's somewhat slow activation. It was not until February 1948 that the new office organised itself.

Eventually the impetus for action did not emanate directly from the situation in Western Europe but from the communist takeover of the Czech government in February and March 1948. The Czech coup made a profound impression upon senior American officials like Secretary of Defense James Forrestal who believed it presaged a new boldness in Soviet behaviour. Seen in light of the impending elections to be held in Italy in two months time, Washington needed to intervene to stem the communist tide and

ensure that western allies in Western Europe were bolstered through material and psychological support.

This was the message passed on to DCI Hillenkoetter by Forrestal at a meeting on 12 February 1948.¹ This spurred the Agency into life with Thomas Cassady's appointment to head SPG later that month.² Cassady immediately requested that his superior, Assistant Director for Special Operations (ADSO) Colonel Donald H. Galloway (soon succeeded by Major General William Wyman), inform all CIA stations in Europe and the Middle East of the CIA's authority to conduct covert psychological warfare operations. This would "include all measures of information and persuasion short of physical."³ Over the next month Cassady and SPG laid the administrative and operational foundations for the new office. The task was completed with the implementation of OSO Directive No. 18/5 on 29 March formally activating SPG.⁴ At this time Hillenkoetter advised Galloway on the "Additional functions of [the] Office of Special Operations." Cassady's group was to engage in covert psychological operations outside the United States in an effort to "undermine the strength of foreign instrumentalities [...] engaged in activities inimical to the United States" and support American foreign policy by taking measures to favourably influence foreign public opinion.

Therefore SPG was launched with a fairly broad operational charter. Two salient restrictions were levied on its activities. It was required under NSC 4-A to coordinate with the Departments of State and Defense to ensure consistency with overt foreign and information policy. It must also undertake "covert psychological operations" which in

practice encompassed “all measures of information and persuasion short of physical in which the originating role of the United States Government will always be kept concealed.” American responsibility for SPG’s activities, in other words, must remain hidden.⁵

Under Cassady SPG immediately initiated “black” propaganda operations in Western Europe. These first actions largely involved the clandestine instigation of information drives to win over public opinion in the western occupation zones in Germany. Angleton and his colleagues also busily organised covert propaganda and funding projects in France, Italy and other recipient countries of the pending Marshall aid.⁶ SPG quickly exceeded the role envisaged for it prior to the adoption of NSC 4-A by commencing a small-scale infiltration programme of propaganda inside the Soviet bloc itself. This was done through radio broadcasts from a transmitter in West Germany and by dropping leaflets delivered overhead via weather balloons.

In undertaking these early psychological warfare activities in Western Europe and against the Soviet bloc the CIA leadership was careful to liaise with the departments and acquire their approval of them.⁷ Hillenkoetter attempted to create the conditions for a working relationship by emphasising to Galloway and Cassady that SPG should only undertake operations that “are fully consistent with the foreign policy and objectives of the United States Government.”⁸ Instead the State Department was initially reticent to interfere with the Agency’s psychological warfare projects. Undersecretary of State Lovett attempted to distance the State Department from operational collusion with SPG. When he was

informed of PROJECT UMPIRE and the plans to beam propaganda across the German occupation zones into the Soviet bloc, Cassady was informed by John Paton Davies of the Policy Planning Staff that Lovett had given the “green light” to go ahead and implement the plan, but that the undersecretary “wanted to know very little about our project.” Davies explained that “State wanted to be appraised of our progress and proposed operations in order that they would not conflict with State’s policies,” but wanted no closer involvement.⁹

Therefore in March 1948 the Department of State was still content to maintain a limited oversight role over SPG’s covert psychological warfare activities. Lovett echoed Marshall’s insistence that there was no need for a formal chain of command from State to the CIA that would implicate the department in its activities. The department wanted no part in operations, either in the planning or implementation phase, except insofar as being kept “appraised” of their “progress.” Marshall and Lovett’s preference to distance the State Department from SPG would soon be tested with attitudes one level below them within the department. The potential source of friction was Kennan’s Policy Planning Staff. PPS was given responsibility by Marshall to liaise with SPG and therefore had an ambiguous level of policy control over the new operations unit. Such was the level of secrecy that the geographic desks, on the other hand, did not have security clearance to access NSC 4-A and were therefore largely peripheral in the development of the new clandestine programme.¹⁰

The Cold War in Europe, Italy and the Historical Narrative

The launch of SPG coincided with an upsurge of American anxiety concerning the political deterioration of Europe. The communist takeover of the Prague Government under Klement Gottwald late in February 1948 had been anticipated by the Policy Planning Staff several months previously as a defensive Soviet consolidation of Eastern Europe.¹¹ But the Czech coup was followed by Governor Clay's alarmist telegram from Berlin in early March prior to the first, limited Soviet blockade of the city beginning early in April. These events precipitated the renowned "war scare" in Washington. Many American officials now subscribed to the view that the balance of power in continental Europe was tipping in Moscow's favour.

Although he had expected the Czechs to be brought into line, Kennan was affected by the rapid turn of events. He sent Marshall a cable from Manila that underlined the gravity with which he regarded the unfolding situation:

"[...] the savage abruptness and cynical unconcern for appearances of [the] recent action in Czechoslovakia leads me to feel that [the] Kremlin leaders must be driven by [a] sense of extreme urgency. They [are] probably realizing that they are basically over-extended in eastern Europe and that unless they can break [the] unity of western Europe and disturb [the] ERP pattern it will be difficult for them to hold on in eastern and central Europe [...] If this analysis is correct, then there is indeed a real and new element of danger in [the] present situation, and we must be prepared for all eventualities."¹²

The perception of an intensified Soviet threat to Western Europe expressed in Kennan's cable was felt throughout the Truman administration and indeed by western governments in Europe. This caused a heightened sense of vulnerability across the western bloc that precipitated several key foreign policy measures that came to define the early Cold War. The salient consequence was the gradual acceptance in Washington of the need to

militarise its position vis-à-vis the Soviet Union. During 1948 the United States accelerated its plans to formalise an unprecedented peacetime military alliance with Western Europe as well as to proceed with plans to integrate an independent West German state within a Western European bloc.¹³

The revived sense of crisis prompted the NSC to identify Italy as the most vulnerable Western European nation that might fall victim to communist encroachment. In light of the upcoming Italian elections, in the midst of the crisis the U.S. acknowledged that the PCI could even accomplish a takeover of power by peaceful, legal means. Such a “loss” was symbolically and politically unthinkable for the Truman administration, not only for its international standing but also because it was almost midway through a presidential election year.

Kennan was alarmed by the political impact of a communist victory in the Italian elections on the allies of the De Gasperi government throughout the rest of Western Europe. These groups might be discouraged from opposing communist advances should Italy succumb. Kennan even contemplated “whether it would not be preferable for [the] Italian Government to outlaw [the] Communist Party and take strong action against it before [the] elections.” This, he argued, “might well be preferable to a bloodless election victory, unopposed by ourselves, which would give the Communists the entire peninsula at one coup and send waves of panic to all surrounding areas.”¹⁴

Although Kennan's alarmist proposal was not acted upon, Director of the Office of European Affairs John D. Hickerson raised the general problem of how Washington could "effectively assist, apart from ERP, in stopping further expansion of the area of Communist dictatorship in Europe." For Hickerson the current problem did not involve overt military attack but "internal fifth-column aggression supported by the threat of external force, on the Czech model."¹⁵ Hickerson was not privy to SPG's clandestine capability and he therefore only recommended a range of overt measures to stiffen Western Europe's backbone.

Washington subsequently adopted NSC 1/3 to organise and implement an array of measures specifically to support the Italian non-communist electoral campaign and undermine the extreme left. The NSC advocated a range of overt and covert measures aimed at undermining communist politicians to prevent them from gaining a majority of the popular vote that would facilitate its participation in the future Italian administration.¹⁶

The traditional historical narrative holds that the Italian elections of April 1948 were regarded as the successful test-case of American peacetime covert psychological warfare by Washington.¹⁷ The perception of the success of covert intervention following De Gasperi's electoral victory on April 18 over the socialist Popular Democratic Front (PDF) was therefore a decisive factor in the shift from NSC 4-A to NSC 10/2.¹⁸ This narrative implies that there was a connection between the Truman administration's perception of success in the Italian campaign and a consensus to expand the political warfare capability

beyond the parameters of the Italian test-case. Spurred on by the crises in Prague and Berlin, the Truman administration developed more aggressive measures short of war to contain communist expansion in Western Europe as well as to undermine the Soviet bloc itself. Thus the NSC authorised the dramatic expansion of the CIA's covert capability from psychological warfare to include political, economic and paramilitary warfare in mid-June 1948.

This conventional interpretation tends to imply that the Italian case provided continuity between the development of NSC 4-A and NSC 10/2. But such a neat narrative overlooks several important considerations. For instance, the conventional account overemphasises the scale and importance of the American covert psychological warfare intervention in the build-up to the Italian elections. Evidence suggests that the CIA's involvement in Italy was fairly limited. Overall SPG spent between \$10-20 million on anti-communist propaganda and financing operations prior to the April elections.¹⁹ Although this was a considerable sum that set a precedent for future covert interventions, it was expended in an unsystematic *ad hoc* manner that undermined the effectiveness of the venture. Therefore, although some Truman administration officials were impressed by the potential of covert operations, SPG's role in the Italian case was not the primary showcase.

Washington certainly extrapolated from its intervention in Italy in early 1948 the ultimate victory of De Gasperi's Christian Democrats. But American "success" in Italy was primarily linked to its overt intervention. Official and semi-official measures by the

Department of State, the American Embassy in Rome and private initiative were far better funded. They were also more sophisticated and effective than Angleton's scatter-gun approach with SPG.²⁰

American intervention primarily flowed from the recommendations of NSC 1/3 as well as from the inventiveness of proactive figures like the American Ambassador in Rome James C. Dunn. The most conspicuous but also the most influential activities included American wheat shipments to Italy, an Italian-American letter-writing campaign encouraging Italian family members to vote non-communist, speeches by Marshall and Truman clarifying that future ERP aid would be cut off in the event of a PDF victory, and a one hour radio broadcast featuring Hollywood celebrities.

This is not to denigrate the covert role during the campaign. Angleton and his SPG colleagues busied themselves clandestinely bribing local officials, paying off newspaper editors and co-opting labour unions for the pro-western cause.²¹ But funding for these covert activities was not secured until relatively late in the campaign, suggesting that SPG played a relatively minor and belated role. In early April 1948, two weeks before the elections were held, Hillenkoetter went before House and Senate subcommittees seeking the Congressional appropriation of secret funds for the CIA to divert to pro-American interest groups in Italy.²² By this stage overt efforts to bolster the non-communist cause were in full swing, indicating that this was more of an influential factor on the outcome of the elections.²³

The revival of the debate in Washington over psychological-political warfare coincided with the aftermath of the Italian elections. This has encouraged their association in historical accounts. But bureaucratic factors involving the emergence of disparate lobby groups were the primary cause behind the shift towards NSC 10/2. These political warfare interest groups were not predominantly motivated by the Italian case *per se*.

It is also important to emphasise the discontinuity between the psychological warfare charter under NSC 4-A and the political warfare programme under NSC 10/2. The motivation behind SPG activities in Italy and elsewhere in the first half of 1948 was primarily “defensive.” This complimented a containment framework of preventing communist encroachments in Western Europe to protect the incipient ERP. By contrast, the programme inaugurated under NSC 10/2 involved more offensive methods and objectives. This included an emerging PPS initiative to utilise the thousands of displaced émigrés from the Soviet bloc in operations to further American interests and undermine Soviet influence in its own backyard. Unlike the limited psychological warfare charter of NSC 4-A, NSC 10/2 marks the first official conceptualisation of American actions outside the “containment” framework, although no strategic clarification was included in the political warfare directive.

The shift from the “defensive” objectives under NSC 4-A to a more aggressive agenda under NSC 10/2 was complex, involving intricate and fluid bureaucratic dynamics that had little direct connection to the Italian election “test-case.” The notion that the perception of SPG’s success convinced Washington to expand the capability is therefore

inaccurate and it fails to demonstrate the ebbs and flows of the convoluted discourse over NSC 10/2. It was the product of a major bureaucratic clash between at least four different policy-level actors.

The traditional view tends to emphasise George Kennan's role to explain the shift to NSC 10/2, or beyond this to his Policy Planning Staff.²⁴ Kennan and PPS were indeed pivotal in the process and exerted enormous influence over the course of the debates.

Nevertheless there is a danger that focussing on Kennan underestimates the significance of several distinct lobby cliques during the process of reformulating covert operations between January and June 1948, of which the Planning Staff was but one. Four groups in particular jostled for pre-eminence, each with their own agenda and conflicting proposals for a psychological-political warfare capability.

As a consequence, the State Department, the Pentagon, the CIA and Allen Dulles's Intelligence Survey Group (ISG) each made distinctive and mutually exclusive recommendations on the organisation and range of covert political warfare operations. Both the military and the CIA advocated "psychological warfare." The former called for the organisation of wartime mobilisation while the latter was primarily interested in its peacetime role. The external ISG, set up to review the intelligence services in January 1948, supported broadening the range of peacetime covert operational capabilities as did the State Department's PPS. Both groups favoured sanctioning activities beyond "psychological warfare" to include political, economic and even paramilitary warfare in both peace and wartime. But PPS and ISG brought different proposals on how to organise

and implement the broader capability to the negotiating table. The chief spokesmen for these groups, Kennan and Dulles, did not share identical views regarding the scope, character and administration of the proposed new activities.

The Debate Begins over the Organisation of Political Warfare

The administrative development of NSC 10/2 originated in January 1948 when the Armed Services resumed the SANACC investigations into wartime psychological warfare. SANACC had been sidetracked in the latter part of 1947 by the convergence of interest in peacetime psychological warfare considerations that eventually produced the NSC 4 series. The military resurrected its efforts to prepare for wartime psychological warfare and this seemed timely given the deterioration in U.S.-Soviet relations since the last SANACC report had been prepared.

Thus after several revisions, on 8 January SANACC approved the principles contained in SWNCC 304/6 and transmitted it to the JCS for consideration the following day. Over the next seven weeks the Joint Subsidiary Plans Committee (JSPC) surveyed the opinions of the three branches of the military services, completing its report on 5 April. Although it was impossible to reach a consensus, the paper entitled JCS 1735/4 concluded that the proposed Psychological Warfare Organization envisaged in SWNCC 304/6 should be established “as soon as practicable” under the NSC. The scope and activities of the new office should be restricted in peacetime to planning and coordination.²⁵ Because SWNCC 304/6 had not specifically provided for an actual agency to prepare for wartime activities, the JCS report recommended that SANACC amend it to provide this. With SANACC’s

endorsement, the revised proposal SANACC 304/14 was forwarded to Souers and onto the NSC members on 7 April. This paper proposed that a Psychological Warfare Organisation should be established under the NSC and that its immediate peacetime scope and activities should be limited to that of a “working nucleus” solely for planning and coordination.²⁶

The State Department absolutely opposed the creation of a new and independent psychological warfare office. The source of this opposition was not PPS but the office of the Assistant Secretary of State for Public Affairs, George V. Allen, who was responsible under NSC 4 for directing Washington’s overt psychological warfare campaign. Days before the release of SANACC 304/14, Allen and a colleague, Donald C. Stone, lobbied Lovett (Acting Secretary of State in Marshall’s absence) to ensure that the department block any move by the Armed Services to establish a new psychological warfare office at the upcoming meeting of the NSC scheduled for 2 April. Urging Lovett to “go slow on any positive commitments,” Allen and Stone argued that psychological warfare was “in essence a political activity” and should therefore not be conducted by the military except in wartime. They further argued that under NSC 4 these responsibilities had been placed in the State Department and should remain there, while any arising War Department claims that State had been “lax” in undertaking its commitments were “exaggerated to say the least.”²⁷

In essence the State Department feared that the military was moving into State’s rightful jurisdiction, despite clear restrictions limiting the SANACC initiative to planning for a

wartime operational capability. At the next Council meeting Lovett nipped any progress on the matter in the bud by reading out Allen's memorandum from two days earlier. "No new psychological warfare authorization should be set up now," Lovett declared, "because in peacetime the State Department should control this activity, as provided in NSC 4."²⁸ The matter was sabotaged by the State Department, pre-empting the release of SANACC 304/14 with an unequivocal rejection of whatever might be proposed. Due to the conflicting views at State and the JCS, the matter was subsequently transmitted to the NSC Staff to resolve. At this point the matter of wartime psychological warfare planning converged with debates over peacetime covert psychological-political warfare. The Armed Services were once more frustrated in their attempts to initiate planning for wartime psychological warfare through the creation of a specialist organisation. The issue was again deferred in order to concentrate on organising the peacetime capability.

PPS and the Origins of Peacetime Political Warfare

A State Department proposal on the "inauguration of organized political warfare" for peacetime was completed a few weeks after the clash over wartime psychological warfare preparations.²⁹ This project originated with PPS which was taking an increasing interest in SPG's activities. The Planning Staff held common purpose with Allen's determination to retain authority for peacetime activities in the State Department. This partly explained the motivation behind the new proposal because the Planning Staff felt that the State Department should rightfully control the psychological warfare activities mandated to the CIA under NSC 4-A.

On the one hand the issue of State Department authority over peacetime policy implementation was a matter of principle. In February 1948 Kennan wrote a paper in which he criticised the department's loss of administrative control over the implementation of ERP. The lessons from this were equally applicable to the political warfare project. "Our experience," Kennan counselled, "has demonstrated that not only are new agencies of little value in executing policies which go beyond the vision and the educational horizon of their own personnel, but that they actually develop a momentum of their own which in the final analysis, tends to shape- rather than to serve- the national policy."³⁰ The State Department likewise resented encroachments on its policymaking prerogative. The Planning Staff and the geographic sections bristled when an NSC Staff paper, drafted at the urging of Secretary of Defense Forrestal, attempted to clarify the policies and objectives of the United States in light of "Soviet-Directed World Communism."³¹

Kennan had been contemplating "what measures the *democratic* states have at their disposal for resisting totalitarian pressure and the extent to which these measures can be successful" at least since his rise to prominence inside government with the Long Telegram. In September 1946 he lectured at the National War College on the need to employ a full range of psychological, economic and political resources in combination with "a preponderance" of "political, economic and moral strength" to achieve American goals in the post-war period. "We must work out a general plan of what the United States wants in this world," Kennan argued, "and pursue that plan with all the measures at our disposal [...]"³²

By 1947 Kennan was consistently demanding that the “inherent expansive tendencies” of the Soviet system “must be firmly contained at all times by counter-pressure” applied by the west.³³ But this conception was still basically “defensive” and oriented towards Western Europe. This conceptual gap over how to deal with the Soviet bloc was not filled by his famous *Foreign Affairs* article of July 1947, a shortcoming that Kennan himself recognised alongside his failure to distinguish between the political and military containment of communism.³⁴ Over the course of 1947 Kennan started to examine the fragmented American approach towards Europe by considering what could be done in the east. In May he claimed that “Russia’s own position contains many weaknesses and many dangers” while in the “Russian-occupied areas- the satellite areas of Eastern and Central Europe- there are also dangers and weaknesses for the Soviet position.” However, at this stage Kennan was pessimistic about modifying Soviet power, declaring that Russia “should be able eventually to ride out her [economic] difficulties.” Moreover, in Eastern Europe he believed that “there is not much we can usefully do, except to reiterate our position and to continue our public pressure for removal of Russian forces and for greater concessions to national independence and popular government.”³⁵

By late 1947 Kennan’s views were evolving as he began to call for a more assertive U.S. approach towards foreign policy. External strategic considerations, particularly Kennan’s desire to provide a broader strategic basis for U.S. policy encompassing the Soviet bloc, were undoubtedly at the root of the emerging PPS political warfare agenda. In December he lamented the inadequacy of American instruments for peacetime employment. “We are dealing here in the political field,” he declared, “and I can only say that the weapons

we have for conducting this type of operation, short of war, are pathetically weak and rudimentary.”³⁶ Kennan made these remarks the day after NSC 4-A had been approved authorising an American peacetime psychological warfare capability. His negativity probably reflected his disappointment that Secretary of State Marshall had abrogated the State Department’s control over the new capability at the final hour.

In early May 1948 Kennan and the Planning Staff now made its move to ensure that it controlled a new look political warfare capability. PPS recommended that responsibility for the operation of its proposed political warfare projects should be assigned to a separate “directorate” finding “cover” outside the department. This would preserve the protective shield of plausible deniability so important to Marshall and Lovett in relation to the operation of covert activities. Unlike the present arrangement under NSC 4-A, the State Department (in other words PPS) should exert primary policy control over peacetime political warfare plans and operations, facilitated by watchful departmental supervisors. The authority and responsibility for peacetime covert political warfare became the central bone of contention in the build-up to NSC 10/2.

PPS had been considering the development of a more progressive, flexible and coordinated foreign policy since early 1948, although these analyses did not initially impede on the formal and working arrangements with SPG under NSC 4-A. The Planning Staff, and in particular John Paton Davies, George Butler and George Kennan (having returned to his office on 19 April following his official trip to Japan and subsequent illness) came to believe that political warfare should become an integral but selective

component of a more dynamic and better-coordinated foreign policy.³⁷ For his part Kennan had been stung by criticism of his *Foreign Affairs* article. He looked towards political warfare operations in part as a remedy for the shortcomings exposed in that piece.³⁸ Covert operations should be employed to protect American allies in Western Europe, while also counteracting and undermining communist activities and regimes across both sides of the continental divide. Kennan had long argued that the primary Soviet threat to Western Europe was political in nature, a view shared by analysts in the CIA.³⁹ Thus, initiating politically-directed measures covertly guided by Washington would address some of Washington's tactical deficiencies long bemoaned by Kennan.⁴⁰

One aspect of the PPS political warfare concept was explored by Davies as early as mid-February 1948. In a document entitled PPS/22 "Utilization of Refugees from the Soviet Union in U.S. National Interest," Davies discussed Washington's current failure to mobilise the "talents" of the Soviet bloc refugee community of up to 700,000 émigrés. This mass of people could be put to use both as a source of intelligence on the Soviet Union and in U.S. "politico-psychological operations." At this stage Davies was happy for the project to be an inter-departmental venture, recommending that SANACC look into whether "the mass of refugees from the Soviet world [can] be effectively utilized in Europe and Asia to further U.S. interests in the current struggle and whatever may eventuate therefrom?"⁴¹

SANACC referred the matter over to the NSC Staff where PPS 22 gathered dust for three weeks, prompting PPS deputy head George Butler to request that the issue be again

considered by SANACC. On 9 March Butler asked the State Department member on SANACC, Frank Wisner, to consider whether inter-departmental committees could “begin an exploration of the specific problems raised in the paper.” Butler urged that PPS considered it a “matter of some urgency” but that, despite this, it “will probably be some time before the paper clears through the NSC” as other papers were higher up on the Council’s agenda.⁴²

A freshly revised version of the study, now titled PPS 22/1, was subsequently submitted for Lovett’s approval on 11 March before being transmitted to SANACC, the State Department’s Office of Intelligence and Research (OIR) and the CIA for them to study. Drawing on the ideas of the earlier draft, PPS 22/1 placed particular importance on the potentiality of defections from the elite strata of the Soviet world to act as a demoralising and divisive factor against the Kremlin that would enhance U.S. “national interests.” Emphasis on the internal impact of defections reflected Agency scepticism regarding the value of intelligence gleaned from Soviet bloc refugees.⁴³ But it was also an important conceptual advance, questioning how Washington could not only strengthen its own position and that of its allies in Western Europe, but also potentially undermine the power and influence of the ruling communist regimes of the Soviet bloc. PPS 22/1 surmised that this could potentially be achieved through fostering the defection of senior communist figures. This might aggravate “all-pervasive distrust and suspicion” behind the iron curtain, thereby multiplying “denunciations” and “repressive measures.” Such an implosive “chain of events” would not only demoralise the Soviet world, but would also have a “stifling effect” on Soviet capabilities and productive efficiency.⁴⁴

By May 1948 the SANACC committees had concluded their studies and compiled a report. SANACC proposed a programme named “Bloodstone” to mobilise “native anti-communist elements” who had “shown extreme fortitude in the face of Communist menace.” Bloodstone involved gathering the mass of presumably anti-communist Eastern European refugees into front organisations such as student, farmer, labour and women’s groups, mirroring the tactics employed by the Cominform. Such action was required to fill the gaps in the American ranks of specialised personnel with expertise in the target Soviet bloc nations, a deficiency highlighted by the PPS 22 series.⁴⁵

Bloodstone argued that émigrés possessed the “‘know how’ to counter communist propaganda” and “techniques to obtain control of mass movements.” They were also, apparently, experts in copying the ability refined by communists to manipulate “Socialist, trade union, intellectual, moderate right wing groups and others.” Wisner accordingly requested \$5 million in laundered money for “secret disbursement” to get the covert operation underway. Recognising that SANACC held no operational capacity he also proposed the creation of “an entirely new propaganda agency within this Government.”⁴⁶ Wisner doubted, along with others, whether Hillenkoetter’s office would have the ability or the inclination to undertake the new SANACC project.

The PPS concept of clandestine U.S. sponsorship of foreign émigré organisations was endorsed by the administration in 1949 and became one of the most important operations run between PPS and the Office of Policy Coordination under Wisner’s command. Kennan, Davies and Robert Joyce believed that these nationalist organisations, if

properly supported and managed by the United States, would be the perfect vehicles for delivering a powerful antidote to Soviet power in Eastern Europe. The establishment of the National Committee for a Free Europe (NCFE) in April 1949 was closely coordinated between the State Department and OPC. Ostensibly it was a private organisation consisting of philanthropic American citizens. But OPC substantially supplemented its overt sponsorship by private institutions like the Ford and Rockefeller Foundations with CIA funds covertly funneled into NCFE. OPC immediately began to recruit and organise émigrés from the Displaced Persons (DP) camps in Europe to work in the numerous nationalist councils under NCFE that soon sprang up in the United States.

The most famous and effective of the émigré organisations established under NCFE was Radio Free Europe (RFE). With headquarters established near Munich it made its first shortwave broadcast to Czechoslovakia on 4 June, 1950 and was soon transmitting anti-communist propaganda to the satellite bloc countries of Poland, Czechoslovakia, Hungary, Romania and Bulgaria. A sister organisation Radio Liberty (RL) was created in 1951 by the American Committee for the Liberation of the Peoples of Russia to compliment RFE's activities by broadcasting anti-Soviet propaganda into the Soviet Union itself.

OPC's chief Frank Wisner was a keen proponent of this branch of the political warfare programme, famously describing it as the "Mighty Wurlitzer."⁴⁷ The psychological warfare campaign in fact received widespread support within the Truman administration. Washington believed that it could coordinate and direct the messages being relayed by

Soviet bloc exiles and refugees back to their countrymen by secretly funding and supplying guidelines to RFE and RL.

Close supervision and policy direction of the radio station by OPC officers in liaison with the State Department in Washington was organised at a meeting in early May, 1950.

Robert Joyce would “on the policy level, act as the Department’s cut out” with RFE. The State Department should prepare “regular policy guidance for the American supervisory personnel” to RFE and this would then be used by them “as the basic terms of reference.”

It would also remain “open to any positive ideas” offered by the State Department.

Meanwhile to ensure that there was “no deviation from overall policy” it was decided that “a man at the working desk level” would be responsible for closely regulating the content of RFE broadcasts. He would have access to translations of recordings upon request. In return the State Department would make available a “spicy percentage” of material “culled from official sources” for RFE to broadcast although the vast bulk of material would be gleaned from unclassified underground sources.⁴⁸

Despite the establishment of coordination mechanisms, ambiguity over U.S. strategic objectives in the Soviet bloc complicated the parameters of broadcasting content. As Harry Rositzke observes, the ambivalence in American aims for RFE/RL was able to persist well beyond the 1950s. Writing three decades later, Rositzke contended that while there was “official acceptance of the status quo,” unofficial encouragement of resistance and the ultimate hope of liberation “has survived to this day.”⁴⁹

The PPS-CIA Feud

In April 1948 PPS stepped up its consideration of the role that political warfare could play in Washington's overall foreign policy, coinciding with congressional ratification of ERP and the prospect that Western Europe's political stability would be secured. The first PPS papers related to specific projects rather than broader strategic objectives. A proposal drawn up on 2 April to establish "freedom committees" covertly linked to the United States government was disseminated around the State Department by the Planning Staff. The proposition did not instantly win over departmental colleagues. Having read through the PPS proposal, on 7 April the Deputy Director of the Office of European Affairs Llewellyn E. Thompson informed Butler that sponsoring such committees was inadvisable as it could potentially harm and embarrass the U.S. government. Thompson did not dismiss the subject out of hand, agreeing with PPS that an "unofficial or private organization" covertly linked to Washington "would be very useful." But for Thompson the priority was to set up "an official body, either in this Department or on an interdepartmental basis" that would "keep us accurately informed of the activities and views of foreign nationality groups in this country."⁵⁰ At a staff meeting two days later PPS discussed the draft proposal in light of the departmental response to it, deciding that "further study was needed" on the issue.⁵¹ Despite the rather lukewarm reception it received, the proposal was eventually incorporated into the political warfare programme drawn up by PPS at the end of April.

The increasing attention paid by the Planning Staff to the political warfare question coincided with the crescendo of American intervention in the Italian elections. This was

not because PPS was intimately involved in the State Department's overt intervention, nor because the Staff was particularly enthused by SPG's covert psychological warfare activities. Instead PPS was aghast at the way SPG handed over large sums of money to anti-communist groups during the election campaign with little if any ability to supervise how the funds were spent.⁵² Its interest in the covert psychological warfare intervention in Italy was based on its negative assessment of SPG's performance and the need for tighter guidance from the State Department. Cassady and SPG were operating "too freely" for the liking of PPS, indicating a lack of adequate machinery to coordinate the covert and overt measures designed to favourably influence the outcome of the elections.⁵³ For its part the CIA began to feel besieged from several sides. On 26 April it "survived" a report by the NSC consultants investigating its performance of the NSC 4-A mandate. Hillenkoetter was nonetheless damned with faint praise by his State Department counterpart George Allen in the study.⁵⁴

In his capacity as a member of ISG, Allen Dulles now stepped into the breach, although there was no stipulation to consider political warfare in the original charter dating back to January.⁵⁵ On 30 April, the same day that PPS completed the first draft of its influential political warfare proposal, Kennan, Davies and Villard met Dulles and his staff member Robert Blum (from Forrestal's office). Dulles was fully briefed on the Planning Staff's political warfare proposal.⁵⁶ As a result of this meeting Dulles decided that ISG should put forward its own recommendations regarding the proper administration and operation of covert activities. Dulles did not fully agree with the PPS proposal and hoped that, as a recognised expert in this field, he might exercise some timely influence on the ensuing

debates within the Truman administration over the control and implementation of peacetime political warfare.

As ISG entered the fray PPS began to show its hand. One of its primary objectives was to wrest the authority for psychological warfare from the Agency. Concerned by SPG's performance and its independence from the State Department (despite the CIA's efforts to maintain liaison links) the Planning Staff attempted to bring these operations under its close control. Over two days in late April the State Department reviewed SPG's propaganda project codenamed ULTIMATE being conducted out of Germany. Kennan took the opportunity to flex some administrative muscle and called for the termination of the "incitive" activities during the delicate period of the first Soviet blockade of Berlin. This marked the Planning Staff's first step towards overhauling the SPG capability in order to draw such operations under the State Department's control and integrate them into its own political warfare programme.⁵⁷

Cassady in turn resented outside meddling into his operational affairs. He therefore referred the dispute to his superiors in the Agency. The SPG chief argued that much of the propaganda produced by the Department of State during the Italian elections had been far more provocative than his ULTIMATE material. The CIA leadership was sympathetic to its own and ordered the beleaguered Cassady "to ignore State in the matter" and proceed with the campaign. Hillenkoetter was exasperated because on the one hand he was being criticised by George Allen for not concentrating his efforts on anti-communist democratic forces, while on the other hand PPS was attempting to circumscribe his

operations against the Soviet bloc. Nonetheless he acted cautiously, recognising the precariousness of falling foul of the State Department. Accordingly he advised that general operational information continue to be submitted to State.⁵⁸ This would serve as insurance in any referral of the dispute to the NSC. Superficially at least, the Agency would maintain its liaison no matter how awkward the Planning Staff became.

Cassady simultaneously acknowledged on the record the Agency's responsibility to include the State Department in its psychological warfare planning. At the beginning of May he affirmed that "close and continuing policy liaison must be maintained between SPG and the proper foreign policy authority of the U.S. Government." Moreover, for its "day-to-day activities," Cassady recommended that "SPG rely on the Department of State as the primary outside source for policy direction and guidance." The SPG chief also extended an olive branch to the State Department, proposing that "a high ranking staff officer attached to the Office of the Assistant Secretary of Public Affairs" should be appointed as a "Liaison Officer" to ensure continuous coordination between the two organisations.

However Cassady also emphasised his view, based on NSC 4-A, that SPG should not "reveal to the Department of State operational methods and techniques, or other classified operational details, involved in the conduct of black propaganda activities." Exchanges of information should involve "the broad, general character of SPG programs and the general capabilities of SPG," rather than "specific operational details as to how, by whom and specifically where and through what channels SPG activities will be conducted." The

principles of preserving secrecy and plausible denial, according to Cassady, demanded this limitation on departmental access to specific operational details.⁵⁹ This was a compromise gesture of sorts, and it echoed the views of Marshall and Lovett on the need to separate the State Department from direct operational involvement. But this did not disguise Cassady's real message. SPG was not going to be easily intimidated into submission by the machinations of Kennan's Planning Staff.

PPS concerns about the "freewheeling" SPG operations were amplified by the CIA's decision to overrule Kennan's veto of the ULTIMATE project. With that example in mind Kennan, Davies and Villard informed Dulles at their meeting on 30 April that political warfare should not be conducted independently of foreign policy.⁶⁰ This indicated PPS's determination to draw in the SPG activities under its control. To reinforce this, the Planning Staff was ready to disseminate its political warfare proposal to the wider administration. Its approval would require the revision of NSC 4-A. Having learned from the lukewarm departmental response to the "freedom committee" proposal, PPS gathered the department's top brass to a meeting on 3 May to forge a unified departmental agreement on the political warfare programme before taking it before the wider executive.⁶¹ The ULTIMATE dispute was just a shot across the CIA's bows. The real battle for control of a new programme was about to commence.

The Inauguration of Organized Political Warfare

On 4 May the PPS proposal for the "inauguration of organized political warfare" was finally completed. This action-oriented manifesto was far more than simply a tactical

bureaucratic manoeuvre to reverse the administrative arrangements sanctified by NSC 4-A. The 4 May proposal revealed the Staff's vision of an extensive but streamlined programme of well-coordinated overt and covert operations to wage the Cold War. PPS proposed that the range of operations be quite radically expanded from the NSC 4-A mandate. This still included the type of propaganda being undertaken by SPG. But operations should be broadened to include political, economic and even paramilitary warfare operations. Peacetime political warfare was defined by the report in the broadest possible terms as:

[...] the employment of all the means at a nation's command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from such overt actions as political alliances, economic measures (as ERP), and "white" propaganda to such covert operations as clandestine support of "friendly" foreign governments, "black" psychological warfare and even encouragement of underground resistance in hostile states.

PPS again suggested the establishment of "freedom committees," now described as "Liberation Committees." The proposal went beyond this to recommend the sanction of émigrés organised in the "Liberation Committees" to perform "Underground Activities behind the Iron Curtain" involving the covert supply of U.S. "guidance and funds" to "resistance movements" in the Soviet bloc.⁶² The paper also endorsed supporting "Indigenous Anti-Communist Elements in Threatened Countries of the Free World" as was undertaken during the Italian elections as well as "Preventative Direct Action in Free Countries." The scope of these operations was much wider than SPG's mandate under NSC 4-A, demonstrating that PPS envisaged a far more proactive approach to the Cold War and the Soviet bloc. The memorandum also emphasised that formal arrangements for controlling the "two major types of political warfare-one overt and the other covert"

would also differ from the NSC 4-A set-up. Both overt and covert operations should be “directed and coordinated by the Department of State” rather than cede authority over the latter to an external agency.

Therefore, two fundamental principles were at the heart of the political warfare proposal. Firstly, the range of overt and covert operations in the U.S. peacetime armoury should be expanded by the NSC to better deal with new problems of foreign policy brought on by the Cold War. This included operations targeting the Soviet bloc although no strategic framework defining the parameters and objectives of such activities was also included. Secondly, PPS called for close State Department control over political warfare planning and implementation to facilitate its effective coordination and integration with other components of foreign policy.⁶³ Thus a proxy “director” consisting of representatives from the departments should be created to direct political warfare operations. The proposed new “Director” would exert “complete authority over covert political warfare operations conducted by this Government.” In peacetime, the prerogative would rest with the State Department, in wartime it would switch to the Pentagon.

The “inauguration of organized political warfare” proposal was therefore not simply a call to escalate the covert (as well as overt) measures to wage the Cold War. Although PPS advocated expanding the *range* of activities authorised by the NSC, it did not call for an increase in their *volume*. In fact it was proposed that the new “director” should be small, indicating that the employment of political warfare operations would be extremely selective. The new Director of the political warfare directorate would only initially need

“a staff of 4 officers designated by the Department of State and 4 officers designated by the Secretary of National Defense.” This would better ensure the unified mobilisation of all the peacetime resources available to the United States:

It would seem that the time is now fully ripe for the creation of a covert political warfare operations directorate within the Government. If we are to engage in such operations, they must be under unified direction. One man must be boss. And he must, as those responsible for the overt phases of political warfare, answerable to the Secretary of State, who directs the whole in coordination.

SPG’s performance during the Italian elections was singled out by the Planning Staff as a demonstration of why the current set-up needed fixing. PPS wanted to ensure that effective policymaking and operational machinery would be in place to deal with any similar crises, barely disguising its criticism of SPG’s conduct in Italy:

Having assumed greater international responsibilities than ever before in our history and having been engaged by the full might of the Kremlin’s political warfare, we cannot afford to leave unmobilized our resources for covert political warfare. We cannot afford in the future, in perhaps more serious political crises, to scramble into impromptu covert operations as we did at the time of the Italian elections.⁶⁴

There are different interpretations explaining the emergence of the terms “psychological” and “political” warfare. On the one hand it is suggested that the two terms are interchangeable. The CIA continued to refer to “psychological warfare” but PPS switched to the term “political warfare” to emphasise its rightful authority over operations within the political domain. The use of the term “political warfare” was a semantic sleight of hand to bolster the case for taking control of the CIA’s operations.⁶⁵ On the other hand, it is argued that the varying terms drew an important distinction between different types of activities envisaged by the Agency and PPS. According to this interpretation the terms “psychological” and “political” warfare are not therefore interchangeable but reflect the

divergent agendas of these offices. SPG's "psychological" attempts to influence foreign public opinion were far more limited in scope and geographic application than the expansive PPS proposal for "political" interventions in hostile as well as friendly foreign nations.⁶⁶

Certainly PPS and the CIA deployed language to emphasise their respective opinions and authorities. But a review of the debates leading up to the approval of NSC 10/2 demonstrates that the latter explanation is more accurate. This period marked a bureaucratic collision between the CIA and PPS over the Agency's continued authority to conduct the limited campaign under NSC 4-A and the Planning Staff's attempt to overtake it with its own programme of broader scope. In fact PPS regarded "psychological warfare" as just one single element within the much larger "political" warfare spectrum.

Administrative Differences Widen-The Director of Special Studies

The battle lines were swiftly drawn between the various protagonists once the PPS memorandum had been disseminated within the administration. On May 5 a "Draft Proposed NSC Directive" was drawn up by the NSC Staff recommending the establishment of "the position of Director of Special Studies" under the Council. Drawing on the recommendations of the PPS memorandum, the proposed Director of Special Studies would be "nominated by the Secretary of State and appointed by the NSC," and would "have initially a full time staff of four representatives" assigned from the departments and the CIA. It would be the Director's responsibility to "arrange for the

preparation, by his own staff or other agencies as appropriate, of plans for covert operations.” He would also be required to “review all such plans, and if he approves them to arrange for their execution by appropriate agencies” and to “review the execution of such operations to insure that they are being conducted in accordance with approved plans [....]” Acknowledging the attempts by the military to address wartime preparations with the SANACC papers, the Director should also organise “the development of a program for the conduct of covert operations in time of war or national emergency to include such matters as organization, training, equipment and logistical support.” Most importantly, the Director must make certain that all “such covert activities are consistent with US foreign policies and overt activities.”⁶⁷ PPS felt strongly that the CIA’s leadership had neglected this responsibility during its implementation of psychological warfare operations.

Hillenkoetter responded decisively to the Director of Special Studies memorandum, in contrast to his maligned historical reputation.⁶⁸ The fortitude of his reaction signified the threat posed by the proposed directive to the Agency’s assigned authority and responsibilities under NSC 4-A. “If it appears desirable, in the interest of national security, to designate an individual responsible for the planning and coordination of psychological warfare activities,” Hillenkoetter informed Souers, then “this Agency feels the individual should be the present chief of current activities in that field.” In other words Cassady should retain his job and his role. Hillenkoetter argued that the “existing operation and its liaison with the Department of State is handicapped only by the absence of a State Department officer having authority to represent the Department in regard to

over-all policies.” The Agency had clearly been prudent in attempting to liaise with the State Department, despite PPS annoyance over ULTIMATE. This “insurance” allowed Hillenkoetter to portray the Agency as the rational protagonist in the dispute with PPS.

In his closing remarks to Souers, Hillenkoetter argued that if the existing arrangement needed to be dramatically altered then the NSC should “[d]ivorce the existing covert psychological operations from the control and operation of CIA by the rescission of NSC 4-A and place it under the control and operation of a new Agency. Security in the conduct of this sensitive operation cannot be maintained except through control by one Agency.”⁶⁹ Hillenkoetter consistently championed this fundamental principle over the coming weeks. The *authority* for covert operations should not be separated from the *responsibility*. Of course it was a basic administrative necessity to control the operations being undertaken by the Agency. But there were other advantages to pursuing this line of argument. The State Department’s leadership was loath to assume full responsibility for covert operations although PPS was attempting to assert the department’s authority over them. Therefore, if the principle of unified control and responsibility for political warfare gained currency within the administration this would drive a wedge between PPS on the one hand and Marshall and Lovett on the other. The principle of combined authority and responsibility might also draw wider support within the administration and rally crucial allies in its bureaucratic struggle with the more influential Planning Staff.⁷⁰

Hillenkoetter reemphasised the Agency’s rejection of the Director of Special Studies proposal in a second memorandum to Souers sent the following day. As the NSC Staff

were due to reconsider the paper in light of his objections he unequivocally criticised its recommendations as “a dangerous duplication of existing assigned functions.” He referred to several failings of the proposed directive including its inference of “the necessity for a rescission o NSC 4-A and the reestablishment of covert psychological functions under an Agency other than CIA.” This would represent “a step toward placing secret intelligence and Special Operations [...] under separate agencies.” He also appealed for the rejection of the draft directive on the grounds that “the present operations under NSC 4-A be not jeopardized.” Disruption of the existing programme was unnecessary because “this Agency, acting under NSC 4-A, has made considerable strides in the subject field, has obligated itself to a considerable expenditure of funds for equipment, transportation, and experienced personnel, and has made firm commitments for clandestine operations outside the United States for a long period of time.” There should be no deference to the whims of PPS because “[i]nterference with this activity infers a disruption of current activities and the possibility of serious breaks in security.”⁷¹

The NSC Staff met on 7 May and three days later produced another draft directive based on the 5 May memorandum but revised in light of Hillenkoetter’s objections. The amended directive was then transmitted to the NSC members and the CIA, where it once again received differing reactions. The new directive did not stray too far from the previous version, proposing that a Director of Special Studies be appointed as an intermediary between the CIA and the NSC. The Director would have an advisory board at his disposal to provide greater interagency coordination of policies and operations, and

as a forum to reconcile any differing departmental views that might from time to time emerge.⁷²

The PPS response to this directive was largely positive. Kennan commended its merits to Marshall and Lovett in a communiqué on 11 May, describing the proposed directive as an “important matter.” According to Kennan the proposal “is based largely on and adheres to the fundamental principles” of the PPS paper on the “inauguration of organized political warfare.” Since Bohlen, Allen and the four geographical offices “either gave affirmative approval or indicated no objection” the PPS chief felt the NSC Staff paper also had their tacit approval. Kennan emphasised to Marshall and Lovett that there was a “certain urgency” required of the Department of State in responding to this paper because the “deadline we are working against is [...] the imminent adjournment of Congress.” The executive branch must act swiftly to orchestrate the bureaucratic arrangements for the new Director of Special Studies and his advisory board so that the funds required to initiate the PPS political warfare project could be secured before the congressional summer recess.⁷³ Bureaucratic, rather than strategic factors called for haste.

In contrast, the CIA’s reaction to the 10 May draft directive starkly revealed the gulf between its views and those of the State Department. The Agency was now unmistakably on the defensive, trying to protect its institutional integrity from the bureaucratic encroachments of PPS. On the same day that Kennan was drumming up support from his superiors in the State Department for the new proposal, Hillenkoetter once again firmly transmitted his objections to Souers at the NSC.⁷⁴ The DCI reminded Souers that the

CIA “has several times, during the discussion phases of this proposed directive, placed itself on record as opposed to the plan on which the proposed directive is based.” The main reason behind the Agency’s disapproval, Hillenkoetter reiterated, was that the “proposed directive, if enacted, will establish a staff function providing for *AUTHORITY* in a delicate field of operation- without the *RESPONSIBILITY*.” In other words, control of the new programme would be transferred to departmental representatives while a separate organisation would be responsible solely for conducting operations. Rather than undermine the present arrangement, the “Agency again strongly urges that the provision of NSC 4-A, as written, be continued without change.” Moreover, in a nod to the military frustrations over the deferral of wartime preparations, Hillenkoetter suggested to Souers that if the NSC or the JCS felt that such planning was needed “in the covert psychological warfare field, then we again suggest that advance planning be made the responsibility of the facility currently in operation.”

Hillenkoetter barely acknowledged the PPS position in his objections to Souers, implicitly emphasising his view that their agenda was illegitimate and disruptive. He continued to refer to “Psychological Operations” indicating that he did not accept the need for broadened “political warfare” measures. On the other hand, JCS concerns over wartime preparations could be reasonably catered for without impinging on the Agency’s integrity or the NSC 4-A charter. Hillenkoetter was conciliatory at the end of his message to Souers, reassuring him that “if the National Security Council approves this draft of May 10 1948, the Central Intelligence Agency, of course, will cooperate to the best of its ability in an endeavour to make a going concern of the proposed Special Studies

organization.”⁷⁵ Hillenkoetter wanted to convey the impression that the Agency was behaving with equanimity, while the same could not be said of the Policy Planning Staff.

NSC 10

The NSC Staff disseminated another revised draft two days later that attempted to bridge the PPS-CIA divide. The draft report, now entitled NSC 10 “Director of Special Studies” still favoured the PPS approach. But PPS were not having things entirely their own way, partly because NSC 10 was also influenced by the views of the JCS as expressed in SANACC 304/14. This included the suggestion to establish a “Psychological Warfare Organization” that would be limited in peacetime to a “working nucleus for planning and coordination.”

State successfully rebuffed this challenge through its representative on the NSC Staff. Consequently, NSC 10 did not recommend creating a separate organisation as advocated by the JCS. Taking into account the “similarity of operational methods involved in covert operations and covert intelligence activities,” the NSC Staff instead proposed that CIA was the “appropriate agency to conduct such operations.” A further “victory” for the department was the recommendation that CIA propaganda activities and “other covert operations” should be conducted under the arrangement and approval of the Director of Special Studies. This would effectively remove the full authority of the DCI under NSC 4-A for such measures.

NSC 10 reflected the NSC Staff's attempts to broach a compromise between three disparate viewpoints within the bureaucracy. Inevitably, in so doing the proposal ultimately pleased no one. PPS had more reason to approve NSC 10 than the Agency because it borrowed much of its phraseology from the PPS political warfare proposal and included the broader range of actions proposed by Kennan's office. This included "any covert activities related to propaganda; preventative direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups; and support of indigenous anti-communist elements in threatened countries of the free world." Furthermore, the condition that "if uncovered the US Government can plausibly disclaim any responsibility for them" should appease the concerns of Marshall and Lovett, thus nullifying Hillenkoetter's efforts to drive a wedge between the department's leadership and PPS.

The broad range of operations endorsed under NSC 10 was influenced not only by PPS but by the military representatives on the NSC Staff. The inclusion of wartime capabilities including paramilitary and guerrilla warfare techniques did not originate with PPS and stretched to the limit its concept of supporting underground resistance movements in the Soviet bloc in times of peace. Hillenkoetter felt this was going too far and informed the NSC members at the Council meeting on 20 May that "the Director of Special Studies could not properly conduct sabotage and counter-sabotage."⁷⁶

The inclusion of an interpretation of “political warfare” that included paramilitary activities was extremely significant in later sanctifying a broad operational mandate to OPC in peacetime. NSC 10 failed to distinguish between peacetime and wartime operations, even though guerrilla warfare measures were not envisaged for peacetime implementation at this stage. The lack of a clear distinction between “political” and “paramilitary” operations persisted in the redrafts of NSC 10. The failure to clarify the intended separation of peacetime and wartime measures was directly related to the NSC Staff’s attempts to mediate the divergent desires of State, the CIA and the military. The NSC Staff adopted an umbrella approach whereby the interests of each group were placed side by side in one directive. This tactic to overcome parochial differences facilitated the enactment of a broad capability, creating the risk that aggressive and provocative paramilitary measures beyond the intended scope could be activated in peacetime.⁷⁷

Allen Dulles and the ISG’s Interim Report

As the battle lines hardened between PPS and the CIA, Allen Dulles intervened in the debate with the submission of an interim ISG report on the issue to the NSC on 13 May.⁷⁸ Dulles had met PPS members two weeks previously and was also kept informed of departmental views by James Lay and Robert Blum.⁷⁹ However, Dulles was in no way bound to the Planning Staff proposal. Dulles was a specialist in the covert political warfare field having accrued the reputation and acumen for special operations expertise during the war. He therefore held strong and qualified opinions of his own about the organisation of peacetime covert warfare activities. Despite his contact with PPS, it was

by no means inevitable that ISG's administrative recommendations would favour the State Department or impinge on the CIA's authority.⁸⁰ In fact, Dulles was more likely to advocate a powerful centralised intelligence agency rather than a decentralised arrangement ceding authority to the State Department. This, of course, would go far beyond Hillenkoetter's limited vision of the CIA's role, and Dulles may well have had one eye on replacing Hillenkoetter should Thomas Dewey win the upcoming November 1948 presidential elections. If this transpired then Dulles had a vested interest in the emergence of a strong, independent intelligence agency, not one emasculated by the State Department.⁸¹

The ISG's "interim" recommendations to the NSC were actually ambiguous and therefore failed to perfectly suit either PPS or the CIA. The Dulles report declared that the Director of Special Studies must be granted responsibility and authority for covert political warfare. Commenting on the provisions of NSC 10, the ISG stated that although a "central planning and coordinating staff, as proposed in the new plan, is essential," it should be stressed that "the centralized control of operations is equally important." It was a "delicate field" and therefore "actual control" as well as responsibility should be vested in the Director "who should be in intimate touch not only with plans and policies but also with the details of the operations."

This view tallied with Hillenkoetter's position, rather than State's, revisiting whether to separate or combine the responsibility and authority for covert operations. The Planning Staff scheme to exert authority over political warfare without assuming direct operational

responsibility was anathema to Dulles. He disapproved of the arrangements in NSC 10 because “these types of operations can [not] be “farmed” out to various existing agencies of the Government without jeopardizing their effectiveness and involving serious security risks.” The Director of Special Studies must have supreme control over operations alongside his organisation’s responsibility. Separating the authority of the Director from the responsibility of the organisation was inadvisable particularly as it could result in “several unrelated and uncorrelated clandestine operations” being conducted “in such sensitive areas as those behind the Iron Curtain.” The survey group report also counselled that secret intelligence and covert operations should be integrated into one agency as each field benefited from coordination with the other. “Secret operations, particularly through support of resistance groups,” the paper observed, “provide one of the most important sources of secret intelligence, and the information gained from secret intelligence must immediately be put to use in guiding and directing secret operations.”

Although the ISG paper superficially supported Hillenkoetter’s principles regarding the correct administration arrangements, it did not specify which organisation should be granted the full authority and responsibility for covert political warfare. Moreover, Dulles sided with PPS in advocating the expansion of the political warfare capability from its present form. He failed to unequivocally espouse the Agency because of lingering doubts over the incumbent leadership. This might also have been a reflection of Hillenkoetter’s own doubts about the advisability of undertaking such a broad and controversial range of actions during times of peace.

Dulles nonetheless championed the principle that these functions must be integrated within one organisation, contrary to the PPS view.⁸² This in fact introduced a new threat to the Agency. If the NSC implemented Dulles's recommendation to combine covert political warfare and secret intelligence in one organisation but at the same time doubted the Agency's ability to fulfil these functions, there was a real danger that the CIA might be emasculated not only of its psychological warfare capability but also its secret intelligence duties. This was a fundamental threat to the Agency's operational role that could substantially diminish its value and status within the executive branch.

The ISG report did not deliver the knock-out blow because Dulles left open whether the Agency should be assigned both functions or whether its secret intelligence capability should be removed and placed in a new organisation along with covert political warfare. This was the NSC's decision to make, but the survey group would be "glad to submit a report on this subject" if requested by the Council.⁸³

PPS was first to respond to the ISG report. On 19 May Kennan wrote to Lovett and Marshall in a further attempt to obtain their support, offering to "explain it personally to you, if you wish." PPS took stock of the ISG report and was considerably influenced by its recommendations. Kennan attempted to tie the PPS position closer to it and use the report to his advantage by exploiting Dulles's reputation for political warfare expertise. Kennan informed Marshall and Lovett that "Dulles hits the organizational problem head on" by proposing that secret intelligence and covert operations should either be placed under a Director of Special Studies separate from the CIA or with both functions assigned

to the authority of the Agency. “Organizationally,” Kennan argued, placing the new director under the CIA would be the “ideal solution,” both “for cover and intelligence reasons.” But PPS had been stung by the CIA’s defiance and was determined that it would not be granted authority over its own political warfare project. Because of this Kennan urged his superiors that “in respect both to personalities and organization” it would be better at this point “to let the CIA sleeping dog lie.” For the moment “a separate organization” should be created “which might at a later date be incorporated in CIA.”

Kennan advised Marshall and Lovett that the “implications” of the two alternative arrangements suggested by the ISG “are so far-reaching that I think they should be discussed by you and Mr. Forrestal rather than in the lower levels of the NSC.” However, unlike Dulles who left the question open, Kennan attempted to head off any preference that Marshall and Lovett might hold for unifying secret intelligence and covert political warfare within the CIA. Kennan recommended the alternative course of placing secret intelligence alongside political warfare in a separate organisation. As a final parting shot, Kennan suggested that if Marshall, Lovett and Forrestal did not favour the creation of another new agency then they should either invite Dulles to “replace Hillenkoetter as Director of CIA, with covert operations under him,” or authorise him to “assume directorship of covert operations and secret intelligence under Hillenkoetter.”⁸⁴

Kennan gave his recommendations to Marshall and Lovett one day before the NSC members were due to discuss NSC 10 in an attempt to align the PPS and ISG proposals before a ruling was made by the Council. The ISG report and NSC 10 were both placed

before the Council for discussion on 20 May. But at the meeting Lovett informed the other members that he “had not had time to match up the subject report with the comments of the Dulles survey group.” He consequently requested “further time to study this matter.” Despite professing ignorance on the matter, Lovett felt sufficiently informed to oppose Secretary Royall’s suggestion that the Agency conduct the proposed programme of expanded operations to avoid creating a Director of Special Studies and the “duplication” of the CIA’s work. Lovett explained that he was “afraid that if CIA undertook to conduct these covert operations, the Congress might be afraid that it was becoming a Gestapo.” This was a curious reason that did not satisfactorily explain why State should oppose the CIA’s authority over political warfare, although it is unclear whether Lovett was being disingenuous or was genuinely out of touch with the political warfare dispute. Whatever his motivation, Lovett towed the PPS line, informing the NSC that the State Department objected to Agency authority.

Lovett also attempted to fend off JCS encroachments on State’s peacetime jurisdiction. The Council would shortly receive the views of the JCS on the political warfare question. Lovett urged that “it must be remembered that we are not talking about wartime activities but rather about activities to be conducted at the present time.” The problem for his department was that “the covert operations were of a type which the State Department could not conduct.”⁸⁵ It was increasingly awkward to balance its two primary concerns. On the one hand PPS wanted to prevent rival offices from controlling the direction of its political warfare programme and assert its own authority over these operations. But this was problematic because of the department’s intrinsic aversion to accruing operational

responsibility. The resolution, from this perspective, was to arrange for responsibility to be placed in an external organisation over which it could exercise direct authority.

The Council was obliged to defer the matter for further consideration given the divergent and complex arguments of the main protagonists. This decision to delay reaching a conclusion exasperated PPS and forced it to modify its priorities. Unlike the Agency, which was simply defending its existing authorities, the Planning Staff were working against the deadline of the congressional break. Faced with the prospect of stalemate in the NSC, PPS took the decision to pursue a compromise arrangement so that congressional funding could be secured.

With a new strategy in place, Butler appealed to Lovett over the next few days that “early action” by the NSC was “desirable” because “NSC 10 constitutes a very important proposal.” He would be happy to brief Lovett on the matter, as Kennan would be occupied with official speech-writing duties.⁸⁶ In fact this matter was important enough to Kennan who also managed to find time to write to Lovett. In his effort to press home the importance of the issue, Kennan struggled to mask his frustration:

We are concerned here in the Staff about the political warfare question. If the Executive Branch does not act soon to firm up its ideas as to what should be done along these lines, the possibility of getting secret funds out of Congress for covert operations will be lost. If this is not done now, it will mean that this Government has given up hope of conducting effective political warfare activities for the duration of this administration.

The Planning Staff’s priority had clearly shifted in the space of a few days from securing optimal administrative arrangements for political warfare to meeting the congressional deadline for financing the programme. Once a formal agreement had been adopted and funds approved by Congress, then the department could broker *de facto* arrangements to

control the new programme. With considerable bitterness Kennan advised Lovett that if “nothing is done along the lines recommended in NSC 10,” then the department should “press for the abrogation of NSC 4-A, which is not working out well.”⁸⁷

Hillenkoetter’s Compromise Proposal

The Agency had far more to lose from the political warfare dispute than the State Department, despite Kennan’s angst. Therefore on 24 May Hillenkoetter attempted to navigate the difficult bureaucratic terrain, forwarding a compromise proposal of his own to the NSC. The DCI was optimistic that this proposal could “overcome almost all of the objections raised, and I believe it would be in consonance with the Dulles-Jackson-Correa paper and would satisfy the State Department’s demands for a directing hand in what forms of propaganda are to be used and what underground resistance movements are to be supported.” He also believed that his plan “would be in consonance with NSC 4-A and would answer the objections of the Secretary of the Army regarding the establishment of a new Agency and regarding making the National Security Council an operating body” while also receiving the “warm support of the Joint Chiefs of Staff” and remaining in accordance with “the intent of Congress.” This was an ambitious statement of intention. Although Hillenkoetter hoped to transcend the increasingly acrimonious split within the bureaucracy, he continued to underestimate the Planning Staff’s determination not to negotiate with the Agency.

Hillenkoetter suggested that peacetime operations should still be conducted by the CIA as mandated under NSC 4-A, with the addition of “a high level liaison officer for covert

operations” assigned from the State Department. “This officer,” Hillenkoetter suggested, “should be of sufficient stature to have the authority to pass on the forms of propaganda to be employed and to tell the Central Intelligence Agency that it is the policy of the United State to support such-and-such an underground or resistance movement and to deny such support to another underground or resistance movement.” It was, according to Hillenkoetter, the “lack of any such liaison with authority” that had “really caused the present discussions.” In reality the provision of a high-level departmental liaison officer would not assuage PPS and indicated that Hillenkoetter did not comprehend its overarching determination to control covert operations.

Unlike NSC 10, Hillenkoetter’s proposal explicitly divided covert political warfare between wartime and peacetime measures. In so doing, Hillenkoetter accepted that the current SPG operations under NSC 4-A would be expanded although it would remain primarily a psychological warfare campaign. Peacetime operations, he suggested, would “involve black propaganda, including morale subversion, assistance to underground movements, and support of resistance movements.”

Hillenkoetter defined all other measures as “positive operations” that “it is very obvious that the United States would not perform except in relation to war or when war was so close that it was felt it could not be avoided.” These activities would include “sabotage, anti-sabotage, demolition, subversion against hostile states, guerrilla support, and evacuation.” Separating peacetime and wartime operations, Hillenkoetter argued, was “logical” because “it is very difficult to believe that we would send in parties to

accomplish physical destruction in any phase of a “cold” war.” In order to meet the concerns of the JCS as expressed through the SANACC 304 series, “planning” for wartime operations should begin immediately “by a committee under the Joint Chiefs of Staff, with members from the Armed Services and the Central Intelligence Agency.” To placate State Department fears of military encroachment on its peacetime policies, Hillenkoetter noted that it should “be emphasized that only “planning” is to be done now for this second group of operations.” In the event of war the organisation within the CIA conducting covert operations “should be lifted bodily” from it and placed under the JCS.⁸⁸

The Lovett-Forrestal-Dulles Meeting: An Alternative to NSC 10

Hillenkoetter had attempted to mediate the dispute between the Agency and PPS, but this effort was flawed because it failed to recognise that the State Department was determined not to allow the *status quo* under NSC 4-A to continue. Furthermore, Hillenkoetter misjudged the serious doubts that many within the administration held regarding his personal leadership attributes. It was, of course, not possible for him to allay these concerns through this proposal.

Several days later a crucial meeting convened in Secretary Forrestal’s office at the Pentagon in which an alternative arrangement was suggested from which the basic shape of the final political warfare directive was taken. Forrestal, Lovett, Dulles, Blum, Hillenkoetter and General Gruenther for the JCS were in attendance. In the first part of the meeting Hillenkoetter reviewed his compromise proposal, emphasising that

operations should be divided between peacetime and wartime activities. The CIA should conduct the former but not the latter. General Gruenther then summarised the JCS attitude towards the peacetime organisation of political warfare. The JCS favoured the CIA conducting secret intelligence and covert operations “in principle,” although they “had questions as to CIA’s ability to handle this task.” To assuage their concerns, Gruenther asked Hillenkoetter if the Agency would accept having an advisory panel established alongside the authority to conduct covert operations. Hillenkoetter accepted a panel arrangement, but added that his concept of “advice” was not that of “management.” This remark was surely directed towards the State Department more than to the JCS.⁸⁹

Hillenkoetter was excluded from the rest of the Pentagon meeting in which the details of an alternative to NSC 10 and Hillenkoetter’s compromise proposal were discussed. The agreement thrashed out by Lovett and Forrestal, with Dulles in attendance, was actually the least preferable of the three alternatives Kennan had suggested to Lovett and Marshall nine days earlier. Lovett and Forrestal concluded that responsibility for “both secret intelligence and secret operations should be assigned to CIA.” However, several provisions would ensure that the authority for the new operations did not rest with the DCI. Firstly, Lovett and Forrestal agreed that Galloway should be replaced. The current head of OSO was loyal to Hillenkoetter, not the departments. Under the new settlement his position would assume responsibility for both espionage and for political warfare, so presumably it was envisaged that Galloway’s replacement would be affiliated to the departments rather than the CIA.

In a further blow to the Agency, it was also agreed that the new political warfare and secret intelligence organisation “should have considerable autonomy within CIA, and its head should be authorized to appeal directly to the National Security Council in case of differences arising between him and the Director of Central Intelligence.” The man that PPS had in mind for the new position was Allen Dulles. He was present at the meeting and was offered the job there and then, even though no formal Council directive had yet been approved. Dulles did not quite stick to the script and was reluctant to commit his services to the present administration when the position he really coveted, Hillenkoetter’s directorship, might well become available after the upcoming presidential elections.

Although the Agency was totally cut out of the Lovett-Forrestal deal, the agreement indicated PPS’s willingness now to compromise to an extent. On the surface this arrangement gave the CIA responsibility and partial authority for covert political warfare while allowing it to retain its secret intelligence capability. In practice the political warfare organisation would be housed within the CIA, but it would be independent of it and headed by Marshall’s man, not Hillenkoetter’s.

The Special Services Unit

The decision reached at the Lovett-Forrestal-Dulles meeting to bypass Hillenkoetter’s proposal with another alternative to NSC 10 was confirmed when Souers submitted that plan to the Council on 2 June. The new proposal, entitled the “Establishment of a Special Services Unit in the Central Intelligence Agency,” declared that it “seems desirable, for legal, as well as operational reasons, not to create a new agency for covert political

activities, but to place the responsibility for this work within the legal structure of the Central Intelligence Agency and closely relate it to secret intelligence.” The legal authority of the executive branch to authorise CIA psychological warfare operations under NSC 4-A was provided by the National Security Act of 1947. As discussed in previous chapters, Capitol Hill had not intentionally authorised this capability in its approval of the intelligence provisions in the unification legislation. Nonetheless, the flexibility that implicitly provided for secret intelligence had already imparted sufficient legal authority to mobilise psychological warfare. By extension it would also justify political warfare.

The Agency accepted the logic of assigning it with covert political warfare alongside its secret intelligence mission as long as it maintained the authority granted to it under NSC 4-A to control operations. But the “Special Services Unit” proposal did not provide full authority for political warfare to the DCI and also recommended withdrawing Hillenkoetter’s control over the Agency’s espionage functions. The chief of the new unit, who would be selected from outside the Agency and appointed by the NSC, would have “access” to and receive “policy guidance” from the departments rather than the CIA. The new office would enjoy “a considerable measure of autonomy within CIA.” In other words the Agency would provide cover to shield the political warfare organisation from prying eyes but would not exercise direct authority over its personnel or operations.

The new proposal gave two reasons for extricating the Agency’s authority over covert political warfare and secret intelligence. Firstly, according to the paper, doubt existed “as

to whether CIA is presently so constituted that it can effectively handle this problem which is so different from CIA's primary task of coordinating intelligence activities and correlating and evaluating intelligence relating to the national security." Secondly, there was also the "fear lest covert operations develop in a manner inconsistent with our foreign and military policies." Given that the Agency had been competently running secret intelligence since July 1946, the real motivation behind the new proposal was to wrest the authority provided by NSC 4-A for current and future operations from the Agency and place it within the departments.⁹⁰ To ensure that departmental wishes were observed, PPS recommended to Marshall and Lovett that the NSC directive to formalise the Lovett-Forrestal deal should be drawn up "in the first instance by a representative to be designated by the Secretary and one to be designated by Mr. Forrestal."⁹¹

The Council met on 3 June and the ensuing discussion indicated that the Lovett-Forrestal proposal had now overtaken NSC 10. Lovett hoped that it constituted "a possible method of meeting the problem to enable the Council to move rapidly in getting the necessary [congressional] funds." But significant differences still stood in the way of its adoption. Unsurprisingly Hillenkoetter felt aggrieved by the new plan because it clearly undermined the Agency's present authority.

Hillenkoetter issued a firm rebuttal at the Council meeting, contesting each offending provision individually. He defended the Agency against the Lovett-Forrestal paper's "principal objection" that questioned whether the CIA "could handle this job." The DCI retorted that "no protest or doubts had been expressed up to the present." He opposed

changing the current chain of command between himself and Galloway's office, pointing out that OSO was "practically autonomous" already. He also contested the right of the chief of the new organisation to appeal over the views of the DCI directly to the NSC. This procedure was, in Hillenkoetter's view, "totally wrong," and he won firm support from Secretary Royall and Chairman of the National Security Resources Board (NSRB) Arthur M. Hill on this point. Royall expressed having "no faith in the proposed right of appeal," because "if you gave a man responsibility, you should give him the full authority to run it." Hillenkoetter referred to the authority of the DCI under NSC 4-A as the precedent for him to give the chief of the new unit the "necessary policy guidance." He also defended his current head of SPG, Cassady, although he probably did not realise that Galloway's position was also under threat. Cassady had been highly recommended by William Donovan and David Bruce from their wartime service together in OSS. The DCI therefore failed to "see the need to put in another man."

The position taken by Lovett and Forrestal at the meeting constituted an important procedural shift from NSC 4-A. Their suggested alterations threatened to strip the Agency of direct authority over its operating arm. Hillenkoetter inevitably bristled at this attack on the Agency. Lovett and Forrestal did not answer each of the DCI's objections in turn. Instead they spoke in general terms about the proposed new operations as "a specialized extra curricular activity" that should be separated, along with secret intelligence and psychological warfare, from the Agency's "coordinating and evaluating functions." Lovett continued to press for a semi-autonomous office within CIA with a "direct channel to State for policy guidance." Such an arrangement would enable the

department to direct political warfare while avoiding “any part in the conduct of the covert operations.”

As the lengthy and rather bitter meeting lurched towards stalemate, Hillenkoetter seemingly won an important concession from Lovett. The undersecretary was aware that “if funds are to be obtained, the NSC must move quickly,” and therefore proposed deleting the offending “right of appeal” provision. Instead of this, “all authority would be vested in the head of CIA.” A departmental “advisory panel” would be established modelled on the IAC “which could report directly to the NSC if they disagreed with Admiral Hillenkoetter.” With agreement reached on this principle, Lovett’s suggestion was accepted by the Council that NSC 10 should be referred back to the NSC Staff. A substitute paper would be prepared reflecting their discussion and incorporating “the views of Secretary Royall and Admiral Hillenkoetter.”⁹²

Hillenkoetter successfully defended the principle of Agency authority over the new “Special Services Unit” at the Council meeting on 3 June. But this would count for nothing unless it was unequivocally written into the provisions of the new directive to prevent the departments from riding roughshod over its authority. Even this would not necessarily avert departmental attempts to exert *de facto* authority over Agency operations once the new directive had been approved.

The NSC Staff produced a memorandum outlining the “Principles Tentatively Approved by the National Security Council” the following day. For the Agency, it inauspiciously

signalled that the new draft directive would favour departmental interests over Agency objections. The “new special services unit to be created in CIA” was to have responsibility for both “secret intelligence and secret operations” but it would still enjoy “a considerable measure of autonomy” from the Agency. Galloway and Cassady would still be replaced although their “highly qualified” successor might now be “recruited from inside or outside the present ranks of CIA” rather than definitively coming from the departments. This was a minor concession because the nomination would be approved by the NSC that was dominated by the departments and not the CIA. Emphasis was placed on the departments’ right to full “access” to the new unit in order to provide it with “policy guidance.” This implicitly chipped away at the DCI’s authority to provide such guidance.⁹³

From the Office of Special Services to the Office of Special Projects

On 7 June the Council Secretariat’s Office distributed a draft directive to the principals based on Hillenkoetter’s proposal plus a few revisions. Although this paper incorporated the expansive definition of “covert operations” favoured by the departments (and failed to separate peacetime and wartime measures as previously proposed by Hillenkoetter) its administrative provisions were satisfactory to the DCI. Hillenkoetter was willing to accept an expanded operational role for the Agency, as he had been the previous winter in the build up to NSC 4-A. The factors that conditioned his acceptance of the new directive, therefore, were not strategic but administrative in nature. He remained adamant that the Agency must retain authority over any operations it was given responsibility to undertake.

The 7 June draft directive assigned this authority to the DCI. The latest paper borrowed much of its language from NSC 4-A and the Lovett-Forrestal proposal. Unlike the 4 June summary, it generally assuaged the concerns of the Agency in terms of the new administrative set-up. For legal and operational reasons secret intelligence and political warfare would be placed within a “new Office of Special Services” within the CIA, but “overall control” would be assigned to the DCI, not the departments. The new political warfare office would still have “a considerable measure of autonomy within the Central Intelligence Agency,” but this provision was established “for security reasons” rather than to surreptitiously channel the DCI’s authority to the departments. Instead of external control, a departmental “Operations Advisory Committee” would be established to “assist” rather than direct the DCI “in discharging [his] responsibilities.” Galloway and Cassady would still be replaced, but the new chief could be recruited from within or outside the CIA and would be nominated by the DCI rather than the departments. His choice would still be subject to the Council’s final approval.⁹⁴

Inevitably, a satisfactory arrangement for the CIA was simultaneously anathema to PPS. Kennan immediately informed Lovett that the new directive was unacceptable. In Kennan’s opinion this project “emanates largely from the initiative” of the Planning Staff and therefore the proposed political warfare campaign “must be done under the intimate direction and control of this Department.” The new draft directive “does not appear to us to meet this need.” If the State Department could not overcome Agency opposition to its rightful authority, then the “heavy decision” must be taken to “withdraw this paper entirely and to give up at this time the idea of attempting to conduct political warfare.”

The recalcitrant Agency should also be put in its place with the “cancellation of NSC 4, which is not operating satisfactorily.”⁹⁵

Despite Kennan’s melodramatic reaction to the latest draft directive, an opportunity for PPS to outmanoeuvre the CIA presented itself almost immediately. Just as the 7 June paper was being disseminated, the NSC Staff met to revise the directive based on the previous NSC paper opposed by the Agency. According to one CIA historian the intervention of the NSC Staff meant that there “was little chance that Hillenkoetter’s reservations for the Director and the Agency would be retained as he submitted them.” The Agency was now effectively excluded from the drafting process. The initial revision produced by the NSC Staff was referred to the NSC Consultants representing a real advantage for the Planning Staff. Foremost of the NSC Consultants was Kennan himself, whereas the Agency was not represented during this phase of the drafting process.⁹⁶

Several revisions were made to the latest version by the NSC Consultants, making it “intolerable” to the Agency. The Secretary of State rather than the DCI would nominate the head of the new unit, now renamed the “Office of Special Projects,” so long as this choice was “acceptable” to the DCI and approved by the Council. The language of the revised draft directive was also ambiguous in asserting the DCI’s authority over the new organisation.⁹⁷

Under the full weight of departmental pressure to accept this unsatisfactory arrangement, Hillenkoetter continued to stand his ground. On 9 June he addressed two letters to the

Council Secretariat and Council members. Exasperated by the latest twist, he informed Souers and Lay that “since State evidently will not go along with CIA operating this political warfare thing in any sane or sound manner” the department should run it and “let it have no connection at all with us.” Hillenkoetter believed that combining departmental control and responsibility seemed to be the only way to broach the bureaucratic impasse that had hampered a workable arrangement ever since the drafting of NSC 4-A:

It seems to me that this is the only thing that will satisfy State in any way and rather than try to keep a makeshift in running order, subject to countless restrictions which can only lead to continued bickering and argument, I think maybe the best idea is to go back and make the OSP work for State alone.

Ironically, in the space of 24 hours Kennan and Hillenkoetter both suggested that a resolution was impossible due to the other’s stubborn resistance. Despite this, neither side formally recommended terminating the directive. Kennan’s internal communiqué to Lovett was immediately rescinded when he realised that he could unilaterally influence the draft in his capacity as an NSC Consultant. Hillenkoetter, in turn, made his own plea privately to Souers and Lay at the Council Secretariat to recognise the irrationality of departmental behaviour. This was borne out of aggravation rather than a serious call to scrap the CIA’s involvement in political warfare. The DCI wrote the letter privately to Souers and Lay “for your own information,” explaining that it “need not be forwarded” with the letter addressed to the Council members.

Hillenkoetter’s second letter to the Council indicated that he was still willing to fight for Agency control over political warfare. This letter omitted his infuriated recommendation to withdraw Agency involvement altogether. Instead he once again laid out the CIA’s

objections to the latest draft proposal that was “considered much weaker and less satisfactory” than the previous draft. Hillenkoetter remained combative, concluding that “either the National Security Council has confidence in the operation of the Office of Special Projects by the Central Intelligence Agency or it has not.” Hillenkoetter therefore laid down two straightforward alternatives. “If such confidence exists,” he argued, then the CIA “should be directed to operate the new office subject to a general declaration of policy by the National Security Council.” On the other hand if doubt existed over the CIA’s ability to control political warfare then it “should not be expected or directed to operate the Office of Special Operations in any manner.” This was effectively an ultimatum to the NSC. Either give full authority and responsibility for political warfare to the DCI or remove all Agency connections to the new programme.⁹⁸

The draft directive was yet again referred back to the NSC Consultants in light of Hillenkoetter’s latest criticisms. Hillenkoetter expected the imminent removal of the DCI’s operational authority and therefore directed Cassady to wrap up all “irrevocable” SPG commitments and not commence any new operations.⁹⁹ The administrative dispute was now directly disrupting Washington’s covert psychological warfare operations.

Over the next week a compromise draft was finally moulded incorporating features acceptable to the departments and the Agency. In his capacity as an NSC Consultant Kennan was intimately involved in this work. Faced by tenacious Agency resistance Kennan backed down, opting to compromise over the directive itself for the greater cause of procuring congressional funds to facilitate the initiation of political warfare projects.

This was a pragmatic, tactical decision to defer establishing the State Department's primacy over political warfare until after a directive had been approved by the NSC. It was not a capitulation to the Agency's viewpoint, suggesting that their differences would persist after the adoption of a political warfare directive.

On 14 June the "10-2 Panel" was established, formalising that a representative for the Secretary of State (Kennan) and the Secretary of Defence (Joseph McNarney) would provide the new Office of Special Projects (OSP) with policy guidance.¹⁰⁰ Souers distributed the new directive, NSC 10/1, to the NSC members the next day before its consideration at the Council meeting scheduled for 17 June. The new version maintained that "responsibility" for "covert operations" should be assigned to the newly created OSP and placed "within the structure of the Central Intelligence Agency." The authority of the DCI was maintained with the stipulation that the "Chief of the Office of Special Projects shall report directly to the Director of Central Intelligence." However, ambiguity still existed as to the extent of the DCI's authority over OSP for two reasons. Firstly, it was considered essential that OSP "shall operate independently of other components" of the Agency. As well as this, the provisions for the "Operations Advisory Committee" (the "10-2 Panel") were substantially beefed up, muddling the chain of command from the OSP chief to the DCI and the departmental representatives. As mandated by NSC 10/1 the departmental committee was to "furnish authoritative policy guidance on covert operations" to the DCI and to "assist in the preparation of all plans for such operations."¹⁰¹

The Final Phase- The Redrafting of NSC 10/1

On 16 June Kennan transmitted his begrudging approval of NSC 10/1 to his departmental superiors. Although it was not perfect, in Kennan's eyes the draft should be accepted as it was "probably the best arrangement we can get at this time" to ensure that "some funds be obtained from Congress this year for minor activities of this nature." Before reluctantly endorsing NSC 10/1 Kennan tetchily expressed his doubts that "this arrangement will meet the more important needs of this Government for the conduct of political warfare." The draft directive "draws too sharp a distinction between operations and planning" and is "too remote from the conduct of foreign policy." His real gripe was that PPS had failed to assert *de jure* authority over political warfare.

The Secretary of State was charged with appointing the new head of OSP, but Kennan also bemoaned the fact that "we will not be likely to find a suitable person to head it."¹⁰² He continued to blame the CIA for the failure, as he saw it, to organise appropriate administrative arrangements for political warfare operations. Kennan claimed that the Agency's obstinacy had caused the "suitable person," namely his first-choice candidate for the position Allen Dulles, to reject the offer to head the new political warfare organisation. Kennan was erroneous in suggesting this, of course, because Dulles was working to his own agenda. In truth Kennan's remarks were borne out of frustration.

The pivotal NSC meeting was held on 17 June where agreement over NSC 10/1 was reached. The terms of the final provisions swung once again in favour of the Agency. During the course of the discussion it was decided that paragraph 3d of NSC 10/1

establishing the departmental Operations Advisory Committee should be deleted from the final text. This was a significant step towards confirming the DCI's *de jure* authority over covert political warfare. The departmental representatives on the committee had been afforded broad powers to plan operations and supply policy guidance under the provisions in NSC 10/1. Hillenkoetter recognised that this could provide the departments with a direct channel to the NSC that would undermine his authority should disagreements develop between them.

The recommendation to drop the committee mechanism came not from Hillenkoetter but the military in a manner reminiscent of the final drafting phase of NSC 4-A when Secretary of State Marshall had voluntarily ceded this arrangement. At the meeting on 17 June Secretary Royall of the Army and Air Force Secretary Symington forcefully argued against any military responsibility for peacetime operations, negating the need for military representation on an Operations Advisory Committee. Royall asserted that provision for it in NSC 10/1 "should be stricken from the paper and a general paragraph substituted therefore." As the committee concept was dependant on joint departmental representation it became obsolete without military participation. Souers and Lovett both protested at the military's position, with the undersecretary arguing that "we would only be kidding ourselves if we think that either the political or military agencies can be relieved of the responsibility." Lovett and Souers both favoured the committee concept to safeguard departmental coordination and oversight of political warfare alongside the CIA's control. Lovett understood that military participation on the committee would be nominal in peacetime, but without token military representation the State Department

would be denied its own channel into OSP. Despite his best efforts Royall and Symington could not be brought round and the Operations Advisory Committee concept was duly scrapped.¹⁰³

Hillenkoetter had seemingly won a major battle *in absentia*. The deletion of the Operations Advisory Committee swung the balance of power back in the DCI's favour. It was ironic that in the end a significant element of the long-running CIA-PPS dispute was resolved without the involvement of either chief protagonist, Kennan or Hillenkoetter.

An Uneasy Compromise: Approval of NSC 10/2

In its final form the directive resembled an uneasy compromise between the CIA and the Planning Staff. Their different viewpoints had not been successfully mediated making it inevitable that administrative problems would persist when it came to implementing the directive. For the Agency the main danger was that PPS would bypass the administrative provisions giving it control over political warfare, by "reinterpreting" them when it came to determining the working arrangements for planning and guiding operations. The Planning Staff, for its part, had accepted that it must bide its time before it could assert its primary influence over the direction of the new political warfare programme.

The final directive was approved and disseminated by the Council Secretariat on 18 June as NSC 10/2. The directive embodied a balance struck between PPS's wishes, the recommendations of ISG, and the CIA's objections, while also incorporating some

elements of the JCS proposals for wartime organisation. Richard Helms was fairly scathing in his assessment of the process:

This lame compromise between establishing yet another secret organization and giving CIA full responsibility for covert action seemed to have been most heavily influenced by the reluctance of the State and Defense Departments to give the upstart CIA any more responsibility than it already had.¹⁰⁴

The hodgepodge effort to appease all for the sake of acceptance resulted in NSC 10/2 leaving ambiguous the administrative arrangements it was meant to clarify.¹⁰⁵

Considerable doubt remained as to how the *de jure* provisions would be interpreted and implemented *de facto*, given that the final directive failed to resolve the main sources of tension. This was brushed under the carpet so that the political warfare programme could at least be initiated.

NSC 10/2 recycled much of the language from NSC 4-A, which it now superseded. The new directive asserted that “taking cognizance of the vicious covert activities of the USSR, its satellite countries and Communist groups to discredit and defeat the aims and activities of the United States and other Western powers,” it was essential “in the interests of world peace and US national security” that “the overt foreign activities of the US Government must be supplemented by covert operations.” The paper stated that for “operational reasons,” given the Agency’s secret intelligence expertise, a new organisation should not be created to undertake these activities. Instead, “responsibility” for peacetime covert political warfare operations would be placed “within the structure of the Central Intelligence Agency.” For reasons of “security” and “flexibility” the new “Office of Special Projects shall operate independently of other components of Central Intelligence Agency.”¹⁰⁶ Souers apparently approved of OSP’s “special position” to

ensure that it was not “hampered by other components of the Agency.” Hillenkoetter took a more cynical view shaped by the unpleasant experience of the protracted feud with PPS. He anticipated that the departments would “take advantage” of the DCI’s “incomplete powers,” to intrude on his authority. A convoluted procedure for nominating the head of the new office was indicative of the desperate balancing act that NSC 10/2 attempted to perform between the departments and the CIA. The new OSP chief would be “nominated by the Secretary of State, acceptable to the Director of Central Intelligence and approved by the National Security Council.”¹⁰⁷

Although some ambiguous provisions appeared to suit departmental interests, language within NSC 10/2 also ostensibly strengthened the DCI’s position. For instance, secret intelligence and covert political warfare were explicitly placed “under the over-all control of the Director of Central Intelligence.” This was a crucial victory for the Agency for two reasons. Firstly, the CIA’s future as an operating agency was assured, and proposals to remove its secret intelligence capability- questioned by the ISG and advocated by both Forrestal and PPS- had been repelled. Secondly, the DCI was assigned *de jure* authority for the new expanded covert political warfare operations. Again, efforts to separate responsibility for political warfare from the authority had been successfully repulsed. But because this remained a central PPS objective it remained to be seen whether the State Department would accept a diminished “advisory” role once operations were planned and launched.

The Operations Advisory Committee was replaced with a general provision making it the DCI's responsibility to ensure that "covert operations are planned and conducted in a manner consistent with US foreign and military policies and with overt activities." The DCI was responsible for ensuring that the CIA's operations were compatible with general policy "through designated representatives of the Secretary of State and of the Secretary of Defense."¹⁰⁸ This provided the military with the diminished peacetime role advocated by Royall and Symington. However, clashes of opinion between the departmental representatives and the DCI would still be referred to the NSC where departmental influence overshadowed that of the Agency. There was an immediate inauspicious signal for the Agency that PPS would not accept a diminished role when Kennan was appointed as the Secretary of State's representative for political warfare in August.¹⁰⁹

Not only was a question mark left over the administrative legacy of NSC 10/2. Residual operational ambiguity was created by the language in NSC 10/2 because peacetime and wartime measures were not clearly demarcated. Covert political warfare was defined expansively, without any distinction made between peacetime and wartime measures:

As used in this directive, "covert operations" are understood to be all activities [...] which are conducted or sponsored by this Government against hostile foreign states or groups or in support of friendly foreign states or groups but which are so planned and executed that any US Government responsibility for them is not evident to unauthorized persons and that if uncovered the US Government can plausibly disclaim any responsibility for them. Specifically, such operations shall include any covert activities related to: propaganda; economic warfare; preventative direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups, and support of indigenous anti-communist elements in threatened countries of the free world.¹¹⁰

This was a legacy of the persistent failure to address JCS concerns, expressed through the SANACC 304 series, regarding the creation of a wartime Psychological Warfare Organisation.¹¹¹ As a result, wartime “covert” measures were stitched into the directive alongside peacetime political warfare measures without any explicit differentiation between the two types of activity.

A fundamental flaw was written into the directive that seems to have not received the attention it deserved at the time. NSC10/2 stipulated that the Truman administration must be able to “plausibly disclaim” a connection to the breathtaking range of offensive activities that had now been officially sanctioned. In other words these operations must remain covert. As Helms observes, it “seems impossible that the paramilitary activity authorized in the OPC charter could be carried out in a manner that could plausibly be denied by the President, but I do not recall any serious challenges to this instruction at the time.”¹¹² The principle of plausible deniability, rooted in Marshall’s anxieties about tarnishing the official image of U.S. foreign policy, was not only ludicrous in relation to certain conspicuous operations. It would also be a restricting factor on the scale and effectiveness of the future U.S. political warfare campaign against the Soviet bloc, fundamentally undermining the feasibility of the programme. “Covert” operations would necessarily have to remain sufficiently small-scale to retain their cover. Limited actions of this type proved to be totally ineffective against the formidable secret police systems behind the iron curtain.

The shift from NSC 4-A to NSC 10/2 constituted a lengthy, divisive process of attrition that ultimately resulted in paralysis within the Truman administration. The delay in adopting NSC 10/2 was not caused by strategic or operational considerations but by the fragmented administrative interests and agendas of disparate groups within Washington's national security apparatus. Organisational authority and responsibility over the proposed new programme lay at the heart of this, undercutting a considered and detailed debate on the strategic basis for the operations themselves.

Despite several acrimonious months involving manoeuvre and counter-manoeuve, particularly between PPS and the CIA, both sides were eventually compelled to accept compromises that balanced their standpoints in the final directive. But the disparate views of each side were not reconciled by NSC 10/2. PPS ultimately recognised the effectiveness of the CIA's defences personified by Hillenkoetter's fortitude in the face of overwhelming departmental adversity. But NSC 10/2 did not mark an outright bureaucratic victory for the Agency. PPS shifted tactics, sacrificing an unsatisfactory "interim" arrangement under the directive for the sake of initiating its political warfare programme. Once the Office of Special Projects was up and running, the department would be able to pull rank and assert greater direct influence on operations. The Planning Staff understood fully-well that it possessed a Trojan Horse capable of overcoming the defences of its most stubborn opponent.

Endnotes

¹ Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence* (London: John Murray, 2002), 147.

² Office of Special Operations Directive No. 18/5 (Interim), "Activation of Special Procedures Branch," 24 February, 1948, United States Department of State, *FRUS, Emergence of the Intelligence Establishment, 1945-1950* (Washington, D.C.: United States Government Printing Office, 1996), Document 260.

³ Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (London; University Park: Pennsylvania State University Press, 1990), 262-3.

⁴ Office of Special Operations Directive No. 18/5, "Activation of Special Procedures Group," 29 March, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 263.

⁵ Hillenkoetter to Galloway, "Additional Functions of Office of Special Operations," 22 March, 1948, Michael Warner (ed.), *CIA Cold War Records: The CIA under Harry Truman* (Washington, DC: History Staff, Center for the Study of Intelligence, Central Intelligence Agency, 1994), Document 38, 191-5.

⁶ Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), 24-5, and Darling, *The Central Intelligence Agency*, 262-3.

⁷ Cassady to the Deputy Chief of the Special Procedures Group R. E. Dulin, 11 March, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 261, United States Senate, *Foreign and Military Intelligence, Book I, Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities* (Washington: United States Government Printing Office, 1976), 493-4.

⁸ Hillenkoetter to Galloway, "Additional Functions of Office of Special Operations," 22 March, 1948, Warner, *The CIA under Harry Truman*, Document 38, 191-5.

⁹ Cassady to Dulin, 11 March, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 261.

¹⁰ "List of Department of State and Foreign Service Personnel Having Knowledge of Political Warfare Operations," (undated), RG 59, PPS, Box 11A, NARA. This paper was compiled after the adoption of NSC 10/2 but it gives an indication of the different levels of access both to "psychological" and "political" warfare as connoted by NSC 4-A and NSC 10/2. Departmental knowledge ranged from "full" and "detailed" to "general" and "limited" and "no" knowledge of NSC 10/2 and OPC.

¹¹ PPS/13, "Resumé of World Situation," 6 November, 1947, Anna Kasten Nelson (ed.), *The State Department Policy Planning Staff Papers, Volume I, 1947-1949* (New York: Garland, 1983), 129-136.

¹² Kennan to Marshall, 15 March, 1948, United States Department of State, *FRUS, Western Europe, 1948*, Volume III (Washington, D.C.: United States Government Printing Office, 1974), 848-9.

¹³ Carolyn Woods Eisenberg, *Drawing the Line: The American Decision to Divide Germany, 1944-1949* (Cambridge: Cambridge University Press, 1996), 364, 398.

¹⁴ Kennan to Marshall, 15 March, 1948, *FRUS: Western Europe, 1948*, Volume III, 848-9.

¹⁵ Hickerson to Marshall, 8 March, 1948, *ibid.*, 40-2.

¹⁶ NSC 1/3 "Position of the United States with Respect to Italy in the Light of the Possibility of Communist Participation in the Government by Legal Means," 8 March, 1948, (approved by the NSC on 12 March), *ibid.*, 775-9.

¹⁷ For examples of works that generally conform to this view see Barnes, "The Secret Cold War," Part I, 413, Mario Del Pero, "The United States and "Psychological Warfare" in Italy, 1948-1955," *The Journal of American History*, Vol. 87, No. 4 (March 2001), 1306-7, Godson, *Dirty Tricks or Trump Cards*, 32, Hixson, *Parting the Curtain*, 13, James E. Miller, "Taking off the Gloves: The United States and the Italian Elections of 1948," *Diplomatic History*, Vol. 7, No. 1 (Winter 1983), 35-56, Miscamble, *Kennan and the Making of American Foreign Policy*, 106, Mitrovich, *Undermining the Kremlin*, 18, Pisani, *The CIA and the Marshall Plan*, 67, Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), 31, Ranelagh, *The Agency*, 133.

¹⁸ Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington: Acropolis Books, 1977), 102.

¹⁹ Corke quotes this sum from Lilly. See Corke, *US Covert Operations*, 49-50.

²⁰ Winks alludes to this by observing that the sums of money spent on the overt measures of intervention were vastly higher than the covert activities. Robin W. Winks, *Cloak and Gown: Scholars in the Secret War, 1939-1961* (New Haven; London: Yale University Press, 1987), 384. For an official account of the details of the US intervention in Italy in early 1948 see Dunn to Marshall, 16 June, 1948, *FRUS*, 1948, Volume III, 879-82. For a detailed historical account see James E. Miller, "Taking Off the Gloves: The United States and the Italian Elections of 1948," *Diplomatic History* (Winter 1983), 35-55, and *idem.*, *The United States and Italy, 1940-1950* (Chapel Hill: University of North Carolina Press, 1986). Also see Barnes, "The Secret Cold War," Part I, 412-3, Hixson, *Parting the Curtain*, 12, Jeffreys-Jones, *The CIA and American Democracy*, 52, Mitrovich, *Undermining the Kremlin*, 17-8, Powers, *The Man who Kept the Secrets*, 30 and Zegart, *Flawed by Design*, 189.

²¹ Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), 208-9, Powers, *The Man who Kept the Secrets*, 30-1, Thomas, *The Very Best Men*, 28-9. Simpson alleges that along with CIA support, many former fascists joined the Christian Democrat campaign, with paramilitary gangs utilising violence and intimidation to challenge the left wing and communist campaigns. See Christopher Simpson, *Blowback: America's Recruitment of Nazis and its Effects on the Cold War* (New York: Weidenfeld and Nicolson, 1988), 89-95.

²² David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Lawrence: University Press of Kansas, 2005), 30, L. Britt Snider, *The Agency and the Hill: CIA's Relationship with Congress, 1946-2004* (Washington, D.C.: Center for the Study of Intelligence, 2008), 161.

²³ Of course, the net influence of the overall American intervention on Italian voters is itself moot and impossible to quantify.

²⁴ Although most, if not all of these accounts do discuss the role of other actors in the debates, the residual impression is often that other participants had much less bearing on the final directive NSC 10/2 than Kennan/PPS. See, for instance, Corke, "George Kennan and the Inauguration of Political Warfare," Godson, *Dirty Tricks or Trump Cards*, Grose, *Operation Rollback*, *ibid.*, *Gentleman Spy*, Karalekas, *History of the Central Intelligence Agency*, Scott Lucas and Kaeten Mistry, "Illusions of Coherence: US Strategy and Political Warfare in the Early Cold War," (unpublished article), Mayers, *George F. Kennan and the Dilemmas of US Foreign Policy*, Miscamble, *George F. Kennan and the Making of American Foreign Policy*, Mitrovich, *Undermining the Kremlin*, Ranelagh, *The Agency* and Rudgers, "The Origins of Covert Action." The account of the origins of political warfare by Agency historian Arthur Darling is extremely useful in its references to the struggle primarily between the CIA and the Department of State, but it has to be kept in mind that this is a partisan study that naturally attempts to support the intelligence

agency and ‘rehabilitate’ the reputation and performance of its director. See Darling, *The Central Intelligence Agency*, 245-81.

²⁵ Secretary of the Army Royall was absolutely opposed to the military having any involvement in psychological or political warfare activities in peacetime, even if this was limited to wartime planning. This view set him apart from the opinions of the JCS and the service secretaries. Royall ardently believed that psychological warfare was primarily a political matter and therefore the province of the State Department or another civilian agency like the CIA, a position he would maintain later during the NSC discussions on the NSC 10 series right up to the adoption of NSC 10/2. See Memorandum for the Secretary of the Army, “Army Organization for Psychological Warfare and Special Operations,” (undated), *DDRS*, “Memorandum for the President of Discussion at the 11th Meeting of the National Security Council,” 20 May, 1948, “Memorandum for the President of Discussion at the 12th Meeting of the National Security Council,” 3 June, 1948, and “Memorandum for the President of Discussion at the 13th Meeting of the National Security Council,” 17 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Documents 277, 283 and 291.

²⁶ Memorandum for the Secretary of the Army, “Army Organization for Psychological Warfare and Special Operations,” (undated), *DDRS*, SANACC 304/15 “Review of SANACC Studies Pertaining to Psychological Warfare,” undated, RG 59, PPS, Box 11A, NARA.

²⁷ Allen to Lovett, 31 March, 1948, and Stone to Lovett, 1 April, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Documents 264 and 265.

²⁸ “Memorandum for the President of Discussion at the 9th Meeting of the National Security Council,” 2 April, 1948, *ibid.*, Document 266.

²⁹ PPS Memorandum “The inauguration of organized political warfare,” 4 May, 1948, *ibid.*, Document 269. Also see an earlier version of this memorandum with the same title drafted four days earlier, RG 59, PPS, Box 11A, NARA.

³⁰ PPS/23 “Review of Current Trends United States Foreign Policy,” 24 February, 1948, Anna Kasten Nelson (ed.), *The State Department Policy Planning Staff Papers, Volume II, 1948* (New York: Garland, 1983), 103-134.

³¹ NSC 7 “Position of the United States with Respect to Soviet-Directed World Communism,” 30 March, 1948, *FRUS: General; The United Nations*, 1948, I Part 2, 545-50. An earlier draft of NSC 7 dated March 19 is available in RG 59, PPS, Box 32, NARA. For the State Department’s response to the Staff paper of 30 March see Policy Planning Staff meeting, 6 April, 1948, RG 59 PPS, Box 32, NARA, Thorp to Marshall, 7 April, 1948, *FRUS*, 1948, I Part 2, 557-60, and Butler to Lovett, 9 April, 1948, RG 59, PPS, Box 33, NARA.

³² George Kennan, “Measures Short of War (Diplomatic),” 16 September, 1946, Giles D. Harlow and George C. Maerz (eds.), *Measures Short of War: The George F. Kennan Lectures at the National War College 1946-47* (Washington, DC: National Defense University Press, 1991), 3-20.

³³ George Kennan. “The Soviet Way of Thought and Its Effect on Foreign Policy,” 24 January, 1947, *ibid.*, 111-30.

³⁴ George Kennan, *Memoirs, 1925-1950*, (Boston: Little, Brown, 1967), 357-9, *idem.*, “The Sources of Soviet Conduct,” *Foreign Affairs* (July 1947), John Lukacs, *George Kennan: A Study of Character* (New Haven: Yale University Press, 2007), 89.

³⁵ George Kennan, “Problems of US Foreign Policy After Moscow,” 6 May, 1947, Giles D. Harlow and George C. Maerz (eds.), *Measures Short of War: The George F. Kennan Lectures at the National War College 1946-47* (Washington, DC: National Defense University Press, 1991), 177-206.

³⁶ George Kennan, "What is Policy?" 18 December, 1947, *ibid.*, 295-318.

³⁷ Although it was generally assumed that Kennan was responsible for "The inauguration of organized political warfare" papers, there has been some recent historical debate over who actually authored these proposals. No irrefutable proof of authorship has yet come to light, but they were almost certainly penned either by Kennan or Davies. The specific identity of the author is not of fundamental significance as Butler, Davies and Kennan were all heavily involved in their conception as well as in 'selling' them to the State Department and to the wider administration. On the authorship debate see Corke, "George Kennan and the Inauguration of Political Warfare," 108 and footnote 55 on 118, Darling, *The Central Intelligence Agency*, 266, and Lucas and Mistry, "Illusions of Coherence."

³⁸ Aldrich, *The Hidden Hand*, 173.

³⁹ There are numerous examples in Kennan's post-war writings on the theme of the Soviet political threat to Western Europe, rather than military, including the Long Telegram and *Foreign Affairs* article. In early 1948 he continued to express this idea, for instance in January to his boss Secretary Marshall, and to the Armed Services Committee. Kennan to Marshall, 6 January, 1948, RG 59, PPS, Box 27 and Box 48, NARA. CIA 4 "Review of the World Situation as it Relates to the Security of the United States," 12 January, 1948, Truman Papers, PSF, Box 176, HSTL.

⁴⁰ For instance in PPS/23 Kennan wrote that "It cannot be too often reiterated that this Government does not possess the weapons which would be needed to enable it to meet head-on the threat to national independence presented by the communist elements in foreign countries. This poses an extremely difficult problem as to the measures which our Government can take to prevent the communist from achieving success in the countries where resistance is lowest." With just a tinge of envy Kennan continued that while the Soviet Union "can operate a political organization of unparalleled flexibility, discipline, cynicism and toughness," unfortunately the "problems involved are new to us, and we are not yet nearly far enough advanced. Our operations in foreign affairs must attain a far higher degree of purposefulness, of economy of effort, and of disciplined coordination if we are to be sure of accomplishing our purposes." PPS/23 "Review of Current Trends United States Foreign Policy," 24 February, 1948, Nelson, *PPS Papers, 1948*, 114 and 133.

⁴¹ PPS/22 "Utilization of Refugees from the Soviet Union in U.S. National Interest," 19 February, 1948, Nelson, *PPS Papers, 1948*, 88-95.

⁴² Butler to Wisner, 9 March, 1948, and Butler to Lovett, 11 March, 1948, RG 59, PPS, Box 33, NARA.

⁴³ For instance a CIA report sent to the NSC on 19 April, 1948, described such sources of intelligence "highly unstable and undependable, split by personal rivalries and ideological differences, and primarily concerned with developing a secure position for themselves in the Western world." See Jeffrey Burds, *The Early Cold War in Soviet West Ukraine, 1944-1948* (Pittsburgh: University of Pittsburgh Center for Russian and East European Studies, 2001), 15-6.

⁴⁴ PPS 22/1 "Utilization of Refugees from the Soviet Union in U.S. National Interest," 11 March, 1948, Nelson, *PPS Papers, 1948*, 96-102. Also see Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 182-3, for details of the PPS 22 series.

⁴⁵ PPS/22 "Utilization of Refugees from the Soviet Union in U.S. National Interest," 19 February, 1948, and PPS 22/1 "Utilization of Refugees from the Soviet Union in U.S. National Interest," 11 March, 1948, Nelson, *PPS Papers, 1948*, 88-95, 96-102.

⁴⁶ Christopher Simpson, *Blowback: America's Recruitment of Nazis and its Effects on the Cold War* (New York: Weidenfeld and Nicolson, 1988), 99-102, 107-12, Thomas, *The Very Best Men*, 24-6.

⁴⁷ Thomas, *The Very Best Men*, 60.

⁴⁸ Memorandum of Conversation by Clairborne Pell, Office of Eastern European Affairs, 4 May, 1950, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV (Washington, D.C.: United States Government Printing Office, 1981), 19-20.

⁴⁹ Harry Rositzke, *The CIA's Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), 158.

⁵⁰ Thompson to Butler, 7 April, 1948, RG 59, PPS, Box 11A, NARA.

⁵¹ Meeting of the Policy Planning Staff, 8 April, 1948, RG 59, PPS, Box 32, NARA.

⁵² Nicholas Bethell, *The Great Betrayal: The Untold Story of Kim Philby's Biggest Coup* (London: Hodder and Stoughton, 1948), 39.

⁵³ See Hillenkoetter's recollections quoted in W. Scott Lucas, *Freedom's War: The US Crusade against the Soviet Union 1945-1956* (Manchester: Manchester University Press, 1999), 60.

⁵⁴ Souers to the Members of the National Security Council, "Coordination of Foreign Information Measures," 26 April, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 267, Darling, *The Central Intelligence Agency*, 265.

⁵⁵ Minutes of the 5th Meeting of the National Security Council, 13 January, 1948, Truman Papers, PSF, Box 176, HSTL.

⁵⁶ Darling, *The Central Intelligence Agency*, 263, 269.

⁵⁷ Sarah-Jane Corke contends that the drive towards NSC 10/2 was primarily motivated not by international events like the Czech coup, the war scare and the Berlin Blockade, but was "the result of George Kennan's frustration with Hillenkoetter's decision to defy him on Projects "Umpire" and "Ultimate."" See Corke, *US Covert Operations*, 53. Although Kennan's staff clashed with Hillenkoetter and Cassady, the PPS programme was not the result of CIA/SPG "defiance"- the Agency's attempts to defend its interests were an obstruction but not a cause of the PPS programme. External factors- Kennan's desire to provide a broader strategic basis encompassing the Soviet bloc- were undoubtedly at the root of the emerging PPS political warfare agenda.

⁵⁸ Darling, *The Central Intelligence Agency*, 262-3, Corke, "George Kennan and the Inauguration of Political Warfare," 107-8.

⁵⁹ Cassady memorandum "Policy Liaison for SPG Activities," (undated- approximate date 1 May, 1948), *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 268.

⁶⁰ Darling, *The Central Intelligence Agency*, 276. Peter Grose offers a slightly different interpretation, that CIA's reluctance to conduct operations beyond intelligence collection, analysis and propaganda led to the PPS recommendation to establish a separate organisation to conduct the PPS programme. See Grose, *Operation Rollback*, 96-104.

⁶¹ Meeting of the Policy Planning Staff, 3 May, 1948, RG 59, PPS, Box 32, NARA. Also see Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 108, and Mitrovich, *Undermining the Kremlin*, 18.

⁶² "The inauguration of organized political warfare," 30 April, 1948, RG 59, PPS, Box 11A, NARA. This project is censored from the 4 May copy in *FRUS*.

⁶³ "The inauguration of organized political warfare," 4 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 269.

⁶⁴ “The inauguration of organized political warfare,” 30 April, 1948, RG 59, PPS, Box 11A, NARA. The reference to the Italian elections is also censored from the 4 May copy in *FRUS*.

⁶⁵ Darling, *The Central Intelligence Agency*, 266, Corke, “George Kennan and the Inauguration of Political Warfare,” 109.

⁶⁶ Karalekas, *History of the Central Intelligence Agency*, 109, Mitrovich, *Undermining the Kremlin*, 8.

⁶⁷ “Draft Proposed NSC Directive,” 5 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 270.

⁶⁸ For instance Ray Cline describes Hillenkoetter as one of the Agency’s “weakest Directors.” See Cline, *Secrets, Spies and Scholars*, 97. In contrast Burton Hersh observes “a tendency in the literature to portray [...] Hillenkoetter as rather an unimaginative old sea dog whose aptitude for clandestine management was limited. The fact was, Hillenkoetter was fluent in four languages, with experience as a naval attaché going back to Moscow in 1934. He became an expert on the Marxists. Inside Vichy he established escape routes, and finished the war as Nimitz’ chief of intelligence for the Pacific area.” See Hersh, *The Old Boys*, 254.

⁶⁹ Hillenkoetter to Souers, 5 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 271. Also see Darling, *The Central Intelligence Agency*, 266-7.

⁷⁰ This principle did indeed draw sympathy from other protagonists including Dulles and Secretary of the Army Royall over the coming weeks.

⁷¹ Hillenkoetter to Souers, 6 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 272, Darling, *The Central Intelligence Agency*, 267-8.

⁷² Darling, *The Central Intelligence Agency*, 268.

⁷³ Kennan to Marshall and Lovett, 11 May, 1948, RG 59, PPS, Box 33, NARA.

⁷⁴ Darling, *The Central Intelligence Agency*, 268.

⁷⁵ Hillenkoetter to Souers “Psychological Operations” 11 May, 1948, Warner, *The CIA under Harry Truman*, Document 40, 201. The same memorandum is also available in *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 273.

⁷⁶ “Memorandum for the President of Discussion at the 11th Meeting of the National Security Council,” 20 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 277.

⁷⁷ Draft Report by the National Security Council, NSC 10 “Director of Special Studies,” 12 May, 1948, *ibid.*, Document 274. Also see Memorandum for the Secretary of the Army, “Army Organization for Psychological Warfare and Special Operations,” (undated), *DDRS*.

⁷⁸ Memorandum from the Intelligence Survey Group to Souers, “Interim Report No. 2: Relations between Secret Operations and Secret Intelligence,” 13 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 275. For more details about the ISG, see Montague, *General Walter Bedell Smith*, 41-4.

⁷⁹ Darling, *The Central Intelligence Agency*, 269.

⁸⁰ Corke takes a contrasting view that Dulles and Kennan were “good friends” and that Kennan’s cause was boosted by ISG which was “prejudiced” against the Agency from the outset. Although Kennan held Dulles in high esteem in the subject area because of his wartime expertise, Corke’s analysis exaggerates the closeness of their relationship and underestimates Dulles’s independent views on the matter. See Corke,

“George Kennan and the Inauguration of Political Warfare,” 110. Dulles undoubtedly favoured the creation of a powerful and independent CIA rather than an agency emasculated by the State Department, as Kennan initially sought. Dulles’s only concern about the CIA controlling political warfare stemmed from his doubts over the quality of the Agency’s leadership under Hillenkoetter.

⁸¹ Grose, *Operation Rollback*, 106-7, Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), 32.

⁸² The eventual assignment of both capabilities to the Agency under DCI Walter Bedell Smith dramatically transformed the character of the CIA, eclipsing its founding legislation under the National Security Act of 1947 to become a forerunner in the operation of U.S. foreign policy during the 1950s.

⁸³ Intelligence Survey Group “Interim Report No. 2: Relations between Secret Operations and Secret Intelligence,” 13 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 275. A copy of this memorandum is also available in RG 59, PPS, Box 11A, NARA.

⁸⁴ Kennan to Lovett and Marshall, 19 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 276. A copy of this memorandum is also available in RG 59, PPS, Box 33, NARA.

⁸⁵ “Memorandum for the President of Discussion at the 11th Meeting of the National Security Council,” 20 May, 1948, *ibid.*, Document 277.

⁸⁶ Butler to Lovett, 24 May, 1948, RG 59, PPS, Box 33, NARA.

⁸⁷ Kennan to Lovett, 25 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 279. A copy of this memorandum is also available in RG 59, PPS, Box 33, NARA.

⁸⁸ Hillenkoetter to the NSC “Covert (Psychological) Operations,” 24 May, 1948, *ibid.*, Document 278. Also see David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Lawrence: University Press of Kansas, 2005), 29, Darling, *The Central Intelligence Agency*, 269-70, Lilly, “The Development of American Psychological Operations 1945-1951,” *DDRS*, 45, Mitrovich, *Undermining the Kremlin*. 18-19.

⁸⁹ “Memorandum of a Meeting held in Mr. Forrestal’s Office on Friday, 28 May, 1948 to consider NSC-10 “Director of Special Studies,” 28 May, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 280, Darling, *The Central Intelligence Agency*, 270.

⁹⁰ Souers to the National Security Council, “Establishment of a Special Services Unit in the Central Intelligence Agency,” 2 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 281.

⁹¹ Butler to Lovett and Marshall, 2 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 282. A copy of this memorandum is also available in RG 59, PPS, Box 11A, NARA.

⁹² “Memorandum for the President of Discussion at the 12th Meeting of the National Security Council,” 3 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 283, Minutes of the 12th Meeting of the National Security Council, 3 June, 1948, Truman Papers, PSF, Box 176, HSTL.

⁹³ National Security Council Memorandum, “Principles Tentatively Approved by the National Security Council,” 4 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 284.

⁹⁴ Assistant Executive Secretary of the National Security Council James Lay to Hillenkoetter, “Proposed NSC Directive,” 7 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 285, Darling, *The Central Intelligence Agency*, 271.

⁹⁵ Kennan to Lovett, 8 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 286.

⁹⁶ Darling, *The Central Intelligence Agency*, 271-2.

⁹⁷ *Ibid.*, 272.

⁹⁸ Hillenkoetter to Lay, 9 June, 1948, Warner, *The CIA under Harry Truman*, Document 41, 203-5. The same memorandum is available in *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 287, and RG 59, PPS, Box 11A, NARA.

⁹⁹ Darling, *The Central Intelligence Agency*, 276.

¹⁰⁰ Barnes, "The Secret Cold War," Part I, 414, Corke, "George Kennan and the Inauguration of Political Warfare," 113.

¹⁰¹ Souers to the National Security Council, "NSC 10/1," 15 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 288.

¹⁰² Kennan to Lovett and Marshall, 16 June, 1948, *ibid.*, Document 288. This memorandum is also available in RG 59, PPS, Box 33, NARA.

¹⁰³ "Memorandum for the President of Discussion at the 13th Meeting of the National Security Council," 17 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 291. For more on this meeting see Darling, *The Central Intelligence Agency*, 274-5, and Lilly, "The Development of American Psychological Operations 1945-1951," *DDRS*, 46-7.

¹⁰⁴ Richard Helms with William Hood, *A look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), 113.

¹⁰⁵ Aldrich, *The Hidden Hand*, 147-8

¹⁰⁶ The "Office of Special Projects" (or OSP) was soon given a more inconspicuous title the "Office of Policy Coordination" (or OPC). Hereafter OSP and OPC are therefore interchangeable. Corke notes the irony of an official Agency history written by Gerald Miller that declares that the new name was intended to suggest publicly that OPC's role was to "coordinate the activities of the CIA with national security policy" as this was the kind of body that was so badly needed to integrate political warfare operations into broader foreign policy. Corke, *US Covert Operations*, 63.

¹⁰⁷ NSC 10/2, "Office of Special Projects," 18 June, 1948, Warner, *The CIA under Harry Truman*, Document 43, 213-6, Darling, *The Central Intelligence Agency*, 274-6. NSC 10/2 is also available in *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 292.

¹⁰⁸ NSC 10/2, "Office of Special Projects," 18 June, 1948, *ibid.*, Document 43, 213-6.

¹⁰⁹ This is mentioned in a footnote to the copy of NSC 10/2 in *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 292.

¹¹⁰ NSC 10/2, "Office of Special Projects," 18 June, 1948, Warner, *The CIA under Harry Truman*, Document 43, 213-6.

¹¹¹ Memorandum for the Secretary of the Army, "Army Organization for Psychological Warfare and Special Operations," (undated), *DDRS*.

¹¹² Helms, *A look Over My Shoulder*, 114.

**THE STRATEGIC DILEMMA:
THE PURSUIT OF A SOVIET BLOC POLICY,
TITOISM, AND PROGRAM A**

By the summer of 1948 the Truman administration had developed a strategic approach for Western Europe based on contributing to its economic recovery and political stability. Tied into American efforts to overcome Europe's problems was the deterioration of its relations with the Soviet Union. Initially Washington heavily prioritised the development of strategic approaches to facilitate the political and economic stabilisation of Western Europe. This reflected the geopolitical importance American policymakers placed on the region. The failure to address U.S. policies towards Europe as a whole, encompassing the east as well as the west, on the one hand signaled that in geopolitical terms Washington regarded Eastern Europe as relatively insignificant. It also reflected the limits of American power, as the consolidation of Russian and communist predominance in Eastern Europe severely curtailed the American ability to influence the region.

U.S. officials were increasingly assured of the effectiveness of linking economic recovery to political reconstruction by mid-1948. Dean Acheson recollected that "When I returned to office the surrounding gloom had deepened, or remained impenetrable in most areas, but in one at least, Western Europe, the Marshall Plan had brought the dawn of a revivification unparalleled in modern history."¹ After congressional ratification in April,

ERP aid was delivered and administered over the next four years under the auspices of the Economic Cooperation Administration (ECA). The central aim was to rehabilitate the economies, political institutions and self-confidence of the governments and populations in Western Europe. The Truman administration also encouraged the post-war rapprochement of France and Germany towards this end. The creation of an independent West German state at the heart of the continent's economy became a central pillar of West European policy.

These policies were supplemented in Western Europe from late 1947 with a series of overt and covert psychological warfare measures to deal with the perceived threat of insidious communist influence. Particular emphasis was placed on France, Italy and the Western occupation zones in Germany and a new capability was eventually authorised by the NSC in December 1947. The operations subsequently undertaken by SPG were essentially defensive stop-gap measures organised to compliment the overall aims of "containment."

During 1948 and 1949, the United States looked to further strengthen the momentum of its Western European strategy beyond political and economic reconstruction. Washington at first supported and then advanced the military rearmament of the Western European nations, taking initial form in European capitals as the Brussels Pact. Catalysed by the Soviet blockade of Berlin beginning in the summer of 1948, Western European military reconstruction was linked to the United States with the commencement of the Washington security talks between July and September. This ultimately led to the North

Atlantic Treaty being adopted in April 1949, with congressional approval of the Mutual Defense Assistance Act later in October.

However, Washington's strategic approach to Western Europe was not extended to Eastern Europe and the USSR. As of June 1948, the Truman administration had not formulated a strategy to give coherence to its dealings with the Soviet bloc nations. Beyond general and ideologically-charged rhetoric intermittently vocalising American aspirations for the region, no formal detailed policy aims had been defined. This exposed Washington's failure to develop a unified European policy during 1947. The American approach towards the west had not been linked to Eastern Europe. As a result, the relative success of its "containment" action stimulated a parallel defensive response in the east. Acheson was justifiably proud of the American programme for Western European recovery, but in his memoirs he recognised the ramifications of this policy in the broader European context:

Four years of increasingly purposeful effort had brought the beginnings of recovery in Western Europe, but at the same time had intensified Soviet control of Eastern Europe and produced dangerous action further west, of which the most ominous was the blockade of Berlin.²

The consolidation of Soviet and communist control over the eastern bloc confirmed the existence of semi-permanent rival spheres and the inception of the Cold War.

Although no specific strategy was developed, some small-scale propaganda operations were launched by SPG targeting the Eastern European communist regimes in the first half of 1948. Notwithstanding the launching of these operations, general American aims for the region were still not clarified at senior policy levels. The primary reason for this

was that emphasis had fallen on Western European containment. With progress there seemingly assured, some American policymakers started to turn their eyes eastwards. Yet they were immediately faced by the reality that Washington exercised little geopolitical influence in the region. Due to this, the State Department and the White House largely conducted diplomacy with the Soviet bloc countries in an *ad hoc* non-strategic manner, particularly through the ill-fated forum of the Council of Foreign Ministers meetings (CFM). No detailed attention was paid towards a pan-European or Eastern European strategy to the same degree as Western European initiatives like ERP and the North Atlantic Treaty.

From mid-1948 sections of the administration, especially within the State Department, gradually attempted to fill this strategic gap by developing policies towards Eastern Europe and the Soviet Union. However, the formulation of a coherent strategic approach towards the Soviet bloc was made problematic by the onset of the Cold War and the lack of an established unified approach towards Europe. This undermined the basic effort to define U.S. strategic aims and methodologies in Eastern Europe prior to the outbreak of the Korean War in June 1950.

The Debates over Soviet Bloc Policy in 1948

In June 1948 the Office of Special Projects, soon renamed the Office of Policy Coordination, was created by NSC directive and an expansive covert political warfare capability was sanctioned for peacetime use. Despite the adoption of NSC 10/2, OPC's founding mission lacked clarity. The directive authorised unconventional measures but it

did not delineate OPC's objectives. Cold War activists believed they had been authorised "to turn loose among the chickens as many foxes as we could possibly get way with," but no parameters were simultaneously established to fence in, organise and control the venture.³

In fact in mid-1948 the Truman administration did not possess a formal policy position towards the Soviet Union. The first policy statement of this type was produced five months after NSC 10/2 was adopted in November 1948. This meant that OPC lacked guidelines to define its strategic objectives from the outset. The institutional feud that had raged in the build-up to the expansion of the political warfare capability had completely overshadowed the fundamental question of its strategic implementation.

The rhetoric in NSC 10/2 citing the "vicious covert activities" of the Soviet bloc was similar in tone to a policy statement drawn up by the NSC Staff in March 1948.⁴ This paper, NSC 7, argued that the United States must "take the lead in organizing a world-wide counter-offensive aimed at mobilizing and strengthening our own and anti-communist forces in the non-Soviet world, and at undermining the strength of the communist forces in the Soviet world." The NSC Staff recommended two particular methods to take the "counter-offensive" to the Soviet bloc. The United States should intensify "the present anti-communist foreign information program" and also "develop, and at the appropriate time carry out, a coordinated program to support underground resistance movements in countries behind the iron curtain, including the USSR."

Although these were extremely important and provocative suggestions, NSC 7 did not

divulge the scope and nature of the proposed American support of resistance movements nor when the “appropriate time” for these provocative operations might be.⁵

Despite similarities in language, the development of NSC 10/2 was not linked to NSC 7. The NSC Staff paper was never formally adopted by the Council and quickly faded. The NSC Staff carried little weight in the bureaucracy and was unable to push the report through to the upper echelons for approval. Policymakers were focused on challenging the subversive and legal assertion of communist influence in Western Europe. Nobody within the cabinet, the Planning Staff, or elsewhere took up the issues raised by NSC 7 at the time. The policy paper eventually foundered on opposition from the State Department over the contention that the production of policy statements was its sole prerogative.⁶

Questions over general U.S. foreign policy were also raised during the course of the dispute over NSC 10/2, although NSC 7 was not revisited. The timing was coincidental and the ensuing policy debate was not linked to the creation of OPC. The impetus to clarify U.S. policies originated with Secretary of Defense Forrestal, but was borne out of functional and not strategic concerns. In May 1948 Secretary Forrestal sought to justify the military budget for Fiscal Year 1950 through a statement of American policy needs and objectives. His call for a policy review was set against the backdrop of Truman’s attempts to slash federal spending, including the imposition of a defense budget ceiling of \$15 billion.⁷ The emergent crisis in Berlin opened up the possibility for Forrestal to invigorate his budgetary claims and press the administration to accept more costly military expenditures than those currently stipulated by the White House:

[...] it is important that a comprehensive statement of national policy be prepared, particularly as it relates to Soviet Russia, and that this statement specify and evaluate the risks, state our objectives, and outline the measures to be followed in achieving them. For the reasons I have given, such a statement is needed to guide the National Military Establishment in determining the level and character of armament which it should seek and, I believe, to assist the President in determining the proportion of our resources which should be dedicated to military purposes.⁸

Writing to Truman in July, Forrestal explained that “the preparation of realistic budget estimates and final decisions concerning the size of the national budget, and its relative emphasis on different projects, should be founded on such an evaluation.”⁹ By submitting NSC 20 Forrestal hoped that the Department of State would define U.S. peacetime objectives in a way that supported the military’s call for higher strength levels.

A policy review was prompted by Forrestal between mid-late 1948. But this opportunity was not used by the proponents of political warfare to tie OPC into the broader evaluation of American policy, despite the vacuum in the administration’s European strategy towards Eastern Europe. Secretary of State Marshall ordered the Policy Planning Staff to respond to Forrestal’s request. The Planning Staff had been established by Marshall a year earlier for just this sort of role, according to future Secretary of State Dean Acheson:

[...] to look ahead, not into the distant future, but beyond the vision of the operating officers caught in the smoke and crises of current battle; far enough ahead to see the emerging form of things to come and outline what should be done to meet or anticipate them. In doing this the staff should also do something else- constantly reappraise what was being done. General Marshall was acutely aware that policies acquired their own momentum and went on after the reasons that inspired them had ceased.

Acheson asserted that under George Kennan and Paul Nitze “the staff was of inestimable value as the stimulator, and often deviser, of the most basic policies.”¹⁰ Not only was PPS the principal source of government policies. As one of the key actors in the

development of the political warfare programme under NSC 10/2, Kennan and the Planning Staff were at the time advocating “the maneuvering of Russian power back into the Russian border” through the coordinated mobilisation of measures short of war.¹¹

PPS therefore missed an opportunity to explicitly link these activities to a strategic framework encompassing Western Europe and the Soviet Bloc. The failure to define a strategic framework for political warfare activities was all the more glaring because PPS was the primary proponent of the expanded covert capability. Rather than seize the opportunity to carve out a dynamic European strategy Kennan dragged his heels. This runs contrary to the common historical depiction of Kennan as a vigorous formulator of Soviet bloc strategies.

Instead Kennan focused on issues raised specifically by the Secretary of Defense, although he had little time for Forrestal’s agenda to justify a larger military budget by commandeering State Department support. Kennan instinctively opposed having to resolve abstract issues including whether the U.S. should prepare for an anticipated peak period of danger or for a longer term and more permanent state of readiness in relation to the Kremlin. He argued that the over-reliance on policy papers particularly by military planners was unwelcome as it risked generating strategic retrenchment and inflexibility. He complained to Marshall and Lovett that it was difficult to express the fluidity of the international situation and to reduce complexities into “either/or” scenarios in basic policy estimates.¹² Although this was not necessarily disingenuous, Kennan’s endorsement of a “relative” and “flexible” approach to Cold War policymaking was a

smokescreen masking the need to resolve American objectives and the realistic employment of capabilities towards the Soviet bloc.

Historians run the risk of being overly critical as a result of the advantage of hindsight. Nevertheless, it is evident that American policy towards the Soviet bloc in the late 1940s was lacking on two levels. Firstly, a cogent “grand strategy” for the Cold War was needed to frame the overall logic of U.S. policies- a common strategic thread to delineate U.S. Cold War aims and to unify and integrate the various policy components. A unified grand strategy also needed to be linked to the more practical requirements of the implementing agencies. Therefore below the level of “grand strategy” realistic objectives should have been identified, alongside clear demarcations of the limits of operational mandates, the specific range of methods to be employed and the strategic premise justifying their application in the field.

This dual approach was basically lacking from the NSC 20 series developed in 1948. On 23 June Kennan submitted a report that responded to Forrestal’s request but fell well short of filling the gaping hole in the U.S. strategic approach to the Soviet bloc.¹³ PPS/33 addressed itself to the limited points specifically raised by the Secretary of Defense, but circumvented the strategic vacuum towards the Soviet bloc. Furthermore, PPS/33 also failed to satisfy Forrestal. The Planning Staff accurately downplayed the likelihood of armed Soviet action, pointing to Moscow’s preference for political action and military intimidation to pursue its foreign policy objectives. American military strength should be

therefore be maintained, the paper argued, but only as a secondary factor to bolster the American diplomatic position vis-à-vis the Kremlin.

Forrestal was crestfallen that PPS/33 did not explicitly support the need for expanding, not slashing, defense appropriations in the face of the “worsening” world situation.¹⁴ Frustratingly for the Secretary of Defense, the report was “tantalizingly ambivalent” regarding military requirements.¹⁵ Yet because PPS/33 did not put the budgetary issue to bed the Pentagon continued to press for policy clarification. This in turn kept the issue of Soviet bloc policy in the foreground, despite immediate attention being diverted to the Soviet blockade of Berlin that summer. Two months later Kennan reluctantly produced another report, designated PPS/38, dealing with broader policy questions.¹⁶ This paper promoted two general goals in relation to Moscow. U.S. policy should aim to reduce Moscow’s power and influence to unthreatening levels as well as to bring about a basic change in the Russian theory and practice of international relations.¹⁷

These objectives were reminiscent of Kennan’s *Foreign Affairs* article published a year earlier:

It would be an exaggeration to say that American behavior unassisted and alone could exercise a power of life and death over the Communist movement and bring about the early fall of Soviet power in Russia. But the United States has in its power to increase enormously the strains under which Soviet policy must operate, to force upon the Kremlin a far greater degree of moderation and circumspection than it has had to observe in recent years, and in this way to promote tendencies which must eventually find their outlet in either the break-up or the gradual mellowing of Soviet power.¹⁸

Kennan later downplayed the significance of the *Foreign Affairs* article, describing how he had “so light-heartedly brought [it] to expression, hacking away at my typewriter there

in the northwest corner of the War College building in December 1946.”¹⁹ But PPS/38 and subsequent policy papers took up a similar theme. In peacetime Washington should “encourage and promote by means short of war the gradual retraction of undue Russian power and influence” from Eastern Europe. Fostering “institutions of federalism” within the Soviet Union “would permit a revival of the national life of the Baltic peoples.” Washington should concurrently seek ways to “explode the myth” of Soviet propaganda through US informational activities and “create situations which will compel the Soviet Government to recognize the practical undesirability of acting on the basis of its present concepts [....]”

PPS/38 argued that these aims could be pursued without “the fundamental emphasis of our policy” resting on the “preparation for an armed conflict” or “to bring about the overthrow of the Soviet Government.” America’s moral right to promote the disintegration of the illegitimate projection of Soviet power in Europe was brashly asserted. But how to pursue this aim was left ambiguous beyond a general statement of intent to place strain on the Soviet-satellite relationship and gradually maneuver Russian political and military influence out of Eastern Europe with the aid of indigenous nationalist forces. While PPS/38 warned against pushing Moscow onto the defensive by engaging its prestige or legitimate interests, it shed no light on a positive strategic approach to achieve the aims put forward in the document.²⁰

Circulated under the NSC 20 series, PPS/33 and PPS/38 generated considerable discussion within the administration.²¹ Yet no one in Washington linked its political

objectives in peacetime to the newly created OPC to guide its planning for covert operations behind the iron curtain. Instead the revised draft of PPS/33 and PPS/38 produced by the NSC Staff on 28 September emphasised Soviet military rather than political objectives and Soviet capabilities rather than the limiting factors upon them.²² This marked the emphasis placed by the military representatives on the NSC Staff on the perceived military threat to Western Europe. It therefore failed to address how broader American political ends would realistically be met in times of peace. This issue was essentially subsumed by Forrestal's budgetary concerns in subsequent discussions in which questions relating to American military strength levels and the military's peacetime role dominated.

Nonetheless PPS/38, now designated NSC 20/1, provided an opportunity to define America's strategy towards the Soviet bloc because it broadened the scope of the debate by positing general American aims for Eastern Europe and the Soviet Union for the first time. An Advanced Study Group (ASG) ran the rule over the policy paper and in October 1948 gave a damning appraisal. The ASG "opposed strongly" the adoption of the NSC 20 series and declared it "dangerous in the extreme." The study group warned that "careless implementation" of such a hard-line policy "might well create situations which the USSR would consider grounds for war." Furthermore, "the key policies are phrased in language which is subject to misinterpretation and which does not provide adequate guidance." This was particularly true of the central objective to reduce Soviet power and influence. ASG concluded emphatically that the administration should not "accept this policy." The NSC 20 series "should never be reduced to approved written policy" as it "is morally and

legally [from the UN point of view] wrong.” The present paper should be destroyed and a “more careful” policy statement developed.²³

Despite this setback, a series of inter-departmental consultants meetings were held to discuss the NSC 20 series papers giving Kennan and the Planning Staff the chance to justify their attempt to broaden policy to encompass the Soviet bloc. At a Joint Orientation Conference meeting in Forrestal’s office on 8 November, Kennan explained that beyond the Western European strategy now in place, “in a tentative and preliminary way, we have tried to create conditions unfavorable to the maintenance of Soviet power in Eastern Europe.” Paraphrasing the aspirations expressed in NSC 20/1, Kennan claimed that the US was attempting “to put the maximum strain” on the Soviet structure of power and Soviet-satellite relationships and “to encourage in every way the spirit of independence and freedom among the eastern European peoples.” According to Kennan it was hoped that “we would be able to maneuver the Russians gradually back out of eastern Europe behind the new borders of the Soviet Union” without needing to resort “to the weapon of war.”

Kennan stressed at this meeting that America’s developing strategy towards the Soviet bloc was not “a purely negative policy, which precluded any forward action and therefore failed to envisage any real solution of Europe’s problems” as had “often been alleged.” Washington needed to exercise some “discretion” because it had diplomatic relations with several Eastern European nations and for this reason it “had to go easy on this phase of U.S. policy in our official and semi-official statements.” The United States “cannot be

too explicit in public statements about the breakup of Soviet power in eastern Europe without putting ourselves in the position of calling in effect for the overthrow of these governments.” This would be disadvantageous as it “would play directly into the hands of the communist propaganda machine all over the world.”

Explicit public statements propounding the overthrow of the Soviet regime would certainly have been foolhardy and undermined Washington’s international credibility. But this reasoning was a red herring because the Truman administration did not definitively admit *privately* that its policy was to overthrow communist regimes. Washington did not explicitly commit to the mobilisation of revolutionary measures to “rollback” Soviet power, but neither did it definitively reject such methods. Instead it settled for an aspirational middle course that pursued generalised ambiguous objectives in the Cold War. Although this fence-sitting was not necessarily surprising as it deferred the need to make tough decisions, it left policy and objectives vague and indecisive.

The concession to a middle course undercut a coordinated, trans-departmental programme of operations to stimulate the collapse of communist regimes in Eastern Europe and the disintegration of Soviet regional power. Instead, American policy-makers, of whom Kennan was most culpable, performed a sleight of hand by allowing policy to waver between “revolution” and “evolution.” Instead the decision was fudged with the recommendation that Washington should engage in indirect methods in pursuit of these objectives:

Actually, it would be not only undesirable but also unnecessary for us to stress publicly, as a direct aim of U.S. policy, the overthrow of the communist

governments in eastern Europe. For it is not an objective which we propose to achieve by any direct action on the part of this Government. It has been our conviction that if economic recovery could be brought about and confidence restored in western Europe [... this] would be bound in the end to have a disintegrating and eroding effect on the communist world. In this case, we think there is a good chance that the gradual breakdown of communist power in eastern Europe would occur.²⁴

This evaded the question of what specific measures the United States should employ to foster “independence.” NSC 10/2 had formally authorised a breathtaking range of activities, but this capability was not squared with strategic guidelines at the policy level. Therefore the methodology for fulfilling American aspirations remained moot when the NSC Staff released Washington’s first promulgation of a “grand strategy” towards the Soviet Union in the Cold War.

The Adoption of NSC 20/4

Approved on 23 November, 1948, NSC 20/4 was a significant statement of American intentions towards the Soviet bloc in the early Cold War.²⁵ But its immediate impact on operations was relatively minor because it failed to bridge general policy with specific measures.²⁶ Its importance principally emanates from its status as the first major “blueprint” of the Cold War produced by the U.S. government. Washington attempted to address the imbalance in its strategic thinking towards Europe by belatedly seeking to define its objectives towards the Soviet Union. Nonetheless NSC 20/4 contained major weaknesses carried over from its drafts, resulting in it failing to provide a coherent strategy that linked American capabilities to realistic objectives.

Two principal goals were delineated in NSC 20/4 that had been carried over from PPS/38. The United States would aim to “reduce the power and influence of the USSR to limits which no longer constitute a threat to the peace, national independence and stability of the world family of nations.” It would also attempt to “bring about a basic change in the conduct of international relations by the government in power in Russia, to conform with the purposes and principles set forth in the UN charter.” NSC 20/4 did not integrate these policy goals with a programme of operations to be undertaken by implementing agencies. In place of this, vague and aspirational declarations urged the United States to “encourage and promote the gradual retraction of undue Russian power and influence [...] and the emergence of the satellite countries as entities independent of the USSR.” According to the directive, US policy was to support the revival of nationalism behind the iron curtain, to counter the “myth” propagated by communist propaganda and to “create situations which will compel the Soviet Government to recognize the practical undesirability of acting on the basis of its present concepts [...]” The means to this end was not clarified by the report.

OPC was not specifically tied into the list of broad measures that would purportedly accomplish U.S. objectives. Instead NSC 20/4 provided a general statement of American aspirations and measures under which specific operations by OPC and other government agencies could later develop. Measures included the development of “military readiness” to act as a “deterrent to Soviet aggression,” the improvement of U.S. “internal security” to guard against “the dangers of sabotage, subversion, and espionage,” and the strengthening of economic policies and American relations with non-Soviet nations.

Most intriguingly, Washington would place “the maximum strain on the Soviet structure of power and particularly on the relationships between Moscow and the satellite countries.” This hinted at more aggressive operations without explaining what they would entail. Yet apart from this latter action, the list of measures was totally inadequate to achieve the goals stated in NSC 20/4. Not only were they too broad to be of practical operational use, but they did not seem to relate directly to the fundamental offensive objectives implicit in NSC 20/4 to bring about the retraction of Soviet power. On the contrary, they appeared to revisit the more defensive methods applied to Western Europe to contain communist expansion beyond the Soviet bloc.

NSC 20/4 therefore evaded the central question of how Washington could accomplish the declared policy goal of retracting Soviet power from Eastern Europe. As a result a strategic vacuum persisted. In broad terms the directive answered *what* the United States hoped to achieve in relation to the Soviet Union and Eastern Europe. But a residual ambiguity pervaded the strategic basis of *how* this could be done.

The failure to define a coherent strategy was rooted in a fundamental dilemma for American policymakers in the Cold War. This emanated from a caveat in NSC 20/4 that the U.S. “should endeavor to achieve our general objectives by methods short of war [...]” The insurmountable challenge that was exposed but not resolved by NSC 20/4 was that the United States aspired to bring about Eastern Europe’s independence and modify Russian policies without resorting to a shooting war. In the late 1940s Soviet geopolitical power clearly made this unrealistic, but the strategic contradiction of promoting the

peaceful retraction of Soviet/communist power in Eastern Europe endured at the heart of American policy.

NSC 20/4's usefulness to OPC was extremely limited. The directive did not adequately stipulate a set of operations or specific operational objectives to guide and limit its activities. This was despite OPC making preparations by November to conduct "covert" activities behind the iron curtain in consultation with the departments. Instead NSC 20/4 presented a broad set of objectives that rationalised the ideological consensus forged within the administration by late 1948. Following the communist takeover in Prague and the beginning of the Soviet blockade of Berlin, the vast majority of officials agreed with the hypothesis of inherent Soviet-communist political expansionism. According to this mindset Russian power must ultimately be pushed back from Eastern Europe and the Kremlin's international practices modified to standards deemed acceptable and non-threatening by Washington. NSC 20/4 adhered to this notion, providing American policymakers with an ideological boost in the face of geopolitical impotence by formalising the long-term promise of reducing Soviet power. This did not amount to a coherent Soviet bloc strategy that delineated specific methods to retract Soviet power while resolving Washington's inadequate capabilities to influence the region.²⁷

Two initiatives were developed during 1948 and 1949 that went beyond the "grand strategy" approach. In response to external factors these policies provided the opportunity to resolve the strategic basis of American policy through a pragmatic approach. At the centre of this, Kennan and the Planning Staff began to grapple with methods and

strategies to challenge Russia and achieve American policy objectives by methods short of war. “What I wanted to get across to those people,” he later argued, “was that war was inevitable only if we let all of Europe go by default [...] They were prepared to leave off at the point where real diplomacy should have begun.”²⁸ The formulation of a new Yugoslav policy and the development of a plan to reach a settlement on Germany marked efforts to deal with specific strategic issues by dynamic and peaceful means.

Germany, Program A and the Ramifications for the Cold War

The initiative known as “Program A” explored ways in which the United States could loosen Soviet military and political control over Eastern Europe through a diplomatic settlement on the status of Germany. Although it never received significant support outside Kennan’s Planning Staff, the concept behind Program A was linked to other initiatives adopted by the Truman administration in an effort to achieve its Soviet bloc objectives, including the use of political warfare.

Kennan had recognised early on that the “German question must be center of any overall European peace settlement and of any future ordering of the world’s affairs based even nominally upon wide international agreement.”²⁹ Program A revisited the “German question,” calling for quadripartite agreement by the occupying powers on the unification and neutralisation of Germany. Although such an arrangement would in the short term invoke the threat of a resurgent militarised Germany, adequate safeguards would provide against future German aggression. More important in the context of deepening Russo-American divisions was the prospect that a mutually-beneficial settlement on Germany

would allow the political situation in Europe to retain some fluidity. From the summer of 1948 Kennan increasingly realised that the cold war polarity between east and west would become semi-permanent should Washington and its allies continue on their current course:

We can no longer retain the present line of division in Europe and yet hope to keep things flexible for an eventual retraction of Soviet power and the gradual emergence from Soviet control, and entrance into a free European community, of the present satellite countries.

It was inevitable that partitioning Germany and creating a separate West German state tied into Western European recovery would eventually be linked to a western military alliance. This in turn would harden the Cold War schism and exacerbate mutual mistrust as “both we and the Russians will have to take measures which will tend to fix and perpetuate, rather than to overcome, that division.” Under these conditions “it would be hard- harder than it is now- to find “the road back” to a united and free Europe.”³⁰

It was somewhat ironic that Kennan now opposed partition given his earlier endorsement of it in 1945.³¹ Until 1948 he had viewed partition as a means of “walling [Germany] off against eastern penetration.”³² As historian Robert Garson notes, Kennan repeatedly expressed his “antipathy to a rapprochement” because of his distrust of Moscow’s intentions.³³ He had also been prominent in forging the shape of ERP and accepted that its one-sided terms were likely to result in the division of Europe because Moscow would consolidate a defensive position of strength in Eastern Europe in response.

Kennan’s views had shifted by mid-1948. He now hoped that a U.S. diplomatic initiative could begin to counteract the projection of Russian political and military power in

Eastern Europe, particularly as incipient Western European recovery was improving the American strategic position in Europe vis-à-vis the Soviets. This shift marked a sea change from the fundamentally defensive containment policy embodied by ERP. Marshall Aid was designed to rehabilitate Western Europe in order to prevent further Soviet penetration of the region and was in one sense a negative strategy. Kennan now advocated moving to the offensive, albeit through diplomatic means, to retract Soviet power from areas presently under Moscow's control. This process could begin through a pragmatic strategy to secure the withdrawal of Soviet garrisons from the Russian occupation zone in East Germany.³⁴

Kennan's change of heart with Program A must be considered in light of the Soviet blockade of Berlin. The blockade demonstrated Moscow's opposition to the London Program and plans to establish an independent West German state integrated into the rest of Western Europe.³⁵ Kennan realised that "the division of Germany, and with it the division of Europe itself, would tend to congeal and to become more difficult of removal with the passage of time" while there would still also "be no real and permanent solution to the Berlin problem."³⁶ Rather than proceed with the development of polarised political and military blocs in Europe, Kennan submitted an alternative plan entitled PPS/37 on 12 August, 1948. PPS/37 proposed the initiation of negotiations for the withdrawal of the vast majority of occupation forces from Germany and the gradual establishment of a united, democratic German government with genuine and independent powers.

Kennan perceived several advantages to this course beyond the “micro” issue of Germany. A quadripartite settlement on Germany could be linked to a similar agreement for Austria and Trieste. It would establish the possibility of successfully negotiating broader disagreements with the Kremlin and thereby retain flexibility rather than rigidity in continental Europe. This was crucial to enable the communist regimes in Eastern Europe to be gradually drawn towards the neutral states of Central Europe, away from unilateral Soviet domination. The “certain withdrawal of Soviet forces toward the east” would loosen the Kremlin’s levers of control in the region. Over time this might facilitate the emergence of continental Europe as a “third force” and counterbalance to U.S.-Soviet bipolarity.³⁷

PPS/37 argued that the opportunity should be taken while the “lines of cleavage” had not yet hardened. If Moscow rejected Program A, then “we should proceed vigorously with the London program” to partition Germany while leaving the offer open as the basis for possible future negotiations.³⁸ Kennan readily accepted that “there is no serious possibility” of Program A’s “acceptance by the Russians *in toto* at this time.” In fact, “the significance of this program lies primarily in its potential psychological effect rather than in the possibility of its immediate acceptance.” The Russians and not the Americans would at least then appear to bear primary responsibility for dividing Germany and the continent through the very act of rejecting Program A, in much the same way that Moscow had lost face in snubbing ERP. But this should not have any long-lasting bearing on the possibility of future negotiations.

Kennan linked German unification to his strategic thinking more generally towards the Soviet bloc. As he developed Program A he believed that it offered a way, in combination with other actions, of loosening and subverting Russian control over the Soviet bloc without recourse to war. The negotiated withdrawal of Soviet troops from parts of Europe would compliment and make less hazardous American political warfare operations by softening Russian military control over the region. This would gradually enhance Washington's ability to undermine the Soviet grip on its Eastern European puppet states through political subversion. Theoretically a unified neutral Germany might also enhance Soviet tolerance of nationalist movements in Eastern Europe drawn to a neutral middle way between west and east.

Program A hoped to exploit Moscow's weak bargaining position in light of the unpopular blockade of Berlin. While the Red Army remained encamped in Central and Eastern Europe American political warfare operations to garner nationalist independence movements among the local populations risked the immediate threat of armed Soviet reprisals. German partition would only harden Cold War lines of division and the acceleration towards hostile military alliances. This course undercut the feasibility of retracting Soviet power from Eastern Europe by peaceful means, thus rendering political warfare operations redundant.

Although Moscow probably would not have accepted Program A in its original form, Kennan insisted that it was a "genuine and sincere bid for agreement" that could "constitute a starting point for what will probably be long and difficult negotiations."³⁹

But Moscow's position was not explored because the Truman administration did not endorse Program A as official policy, preferring to press ahead with partition and the bolstering of Western Europe. The rejection of Program A marked the beginning of Kennan's declining influence within the administration.⁴⁰

Program A was discarded when it ran into opposition at senior levels of the government. General Clay and OMGUS in Germany, along with the Department of Defense, now supported partition rather than a quadripartite deal including the Russians. In the context of the blockade Clay viewed the vulnerable American position in Berlin as indicative of Western Europe's weak strategic position generally. The blockade exposed American impotence vis-à-vis the Soviet Union in the heart of Europe. The creation of an independent West Germany integrated into an economically powerful and rearmed Western European bloc would be a powerful defensive deterrent to any possible future Soviet aggression. Political and military alliances would help to preserve western unity, improve and consolidate internal conditions within West Germany and dispel the suspicions of America's Western European allies that it might abandon them.⁴¹ This would allow Washington to exert greater control over its allies and discourage any Western European drift towards neutrality or communism.⁴²

Many of Kennan's senior colleagues within the State Department including John McCloy, John Hickerson, Charles Bohlen and Robert Murphy also opposed Program A.⁴³ They felt it was unpredictable in terms of future European developments and divisive to the alliance system that the State Department was now working hard to forge.

Washington's allies (particularly France) remained staunchly opposed to the unification of an independent German state so soon after the conclusion of the recent war. Paris was only reluctantly coming round to the idea of tying West Germany's independence into the broader programme of recovery for Western Europe.

When Kennan submitted his revised proposal to Marshall in November 1948 ahead of the London CFM meeting that winter, the alternative London Accords had already been accepted by the Truman administration and by Washington's allies in Paris and London. The administration did not publicly admit that it now opposed brokering a deal to unify and neutralise Germany, but this was mainly to save face. Behind the scenes the course was firmly set to partition Germany and create an independent, democratic western-leaning state linked to Western Europe and the United States through economic, political and military alliances.

Kennan's influence over developments was minimal despite his appointment as chairman of the NSC "Steering Committee" on German policy in the winter of 1948 and his March 1949 visit to Germany.⁴⁴ When Acheson replaced Marshall as Secretary of State at the turn of the year, the PPS director came up against one powerful opponent too many. Despite ubiquitous opposition, one final attempt was made to resurrect Program A before the Paris CFM meeting convening in the spring of 1949. The plan was disseminated among Department of Defense officials for their opinion. Secretary of Defense Louis Johnson and Chairman of the JCS General Omar Bradley were vehemently opposed out

of concerns that the plan would surrender Washington's advantageous position and hand the initiative back to the Soviets.

On the eve of the foreign ministers meeting a simplified version of Program A was leaked to *New York Times* columnist James Reston. The source of the leak was probably the Department of Defense, and the publication of its details caused panic among the French and British delegates in Paris that Washington was abandoning the London Program and nascent security pact. Program A was immediately officially ostracised by the Truman administration to minimise the potential harm it could cause to tripartite plans for a West German state. Kennan's vision of stimulating a "third force" of neutralised states in Central and Eastern Europe independent of both Washington and Moscow had finally and conclusively been put to rest.⁴⁵

The demise of Program A marked a more fundamental rejection by the Truman administration. Attempts to resolve Cold War differences in general through mediation with Moscow were for the moment defunct. An alternative course was chosen, to organise an American-led coalition of Western European nations including West Germany and to develop positions of unanswerable strength within the western bloc. Although primarily a defensive strategy, the development of "positions of strength" favoured by Truman, Acheson and Kennan's successor as head of PPS Paul Nitze would inevitably deepen the divisions between the superpowers.⁴⁶ One consequence of this course was that it invariably stimulated further entrenchment of Soviet control in Eastern Europe. This made the retraction of Soviet power in the east strategically unviable in the

short to medium term without recourse to war. Kennan correctly identified that the only feasible way of bridging the deepening gulf between Moscow and Washington was to return to the issue of German unification.

Despite choosing an alternative course with the build-up of a western bloc, Washington did not reevaluate its aspiration to retract Soviet power from Eastern Europe by peaceful means. Even though this goal was all the more unfeasible in light of the militarisation of the Cold War in 1949, American policy papers retained the hope of “liberation” but tended to limit this to the “peaceful” diminishment of bloated Soviet influence. By retaining the aspiration to retract Soviet power, a window was left open for political warfare officials to stake their case to implement operations behind the iron curtain. But from the outset the strategic employment of political warfare remained in perpetual tension within the broader foreign policy of the Truman administration.

U.S. Policy and the Moscow-Belgrade Dispute

American policy-makers saw the dramatic deterioration of relations in early 1948 between Stalin and Josip Broz Tito, the communist ruler of Yugoslavia, as an opportunity to exploit further divisions within the Soviet bloc. By coincidence the Tito-Stalin dispute occurred at the same time that NSC 10/2 was under consideration. Although unanticipated by the Truman administration, this presented an opening to link events on the ground with the newly established political warfare organisation.⁴⁷

Tito's break with the Soviet bloc was identified by the west and confirmed by a resolution passed by the convention of the Cominform in Bucharest late in June. The revelation exposed two embarrassing facts for Washington. Firstly, it had occurred in spite of American actions rather than as a result of them. Washington's perception of a communist monolith discouraged any deviation of the Eastern European regimes from Moscow's authority. They were faced with aloof hostility rather than a viable alternative source of support from the west. The Tito incident encouraged American officials to question the restrictiveness of this outlook.⁴⁸ The rift also highlighted Washington's present lack of a workable strategy to deal with this specific incident or its broader ramifications for the region. The approval of NSC 20/4's generalised definition of American objectives was still months away. Its reactive case-by-case approach was clearly inadequate and lacked a broader strategic consideration of long-term goals.

The majority of American officials including Kennan immediately regarded the rift as a significant factor that could potentially advance American interests.⁴⁹ But opinions soon diverged over how best to exploit it in pursuit of wider American objectives. The CIA was downbeat about it significantly affecting the wider region. On 30 June Hillenkoetter advised Truman that "Tito's recent example in defying the Cominform is not likely to be emulated in the immediate future by the other satellites." As divisive as the rift might prove to the cohesion of the communist bloc, Russian military power and Yugoslavia's unique position of relative independence meant that "the Communist Parties in the other Satellites are too vulnerable to Soviet force to risk a break with the Kremlin at this time." The Agency felt that efforts to stimulate further rifts between Moscow and the Eastern

European governments would be futile because of the control exerted by other communist regimes and their loyalty to Moscow ensured by the intimidating presence of Soviet occupation garrisons.⁵⁰

Kennan took the lead in forging a contrary position. Until the rift precious few openings had presented themselves so it demanded that the United States do everything in its power to promote the further splintering of communist regimes from Moscow's grasp. Just days after the rift came to light in western capitals Kennan produced PPS/35 in which he argued that the new situation "creates an entirely new problem of foreign policy for this Government."⁵¹ Kennan seized upon the concept of fostering further deviationist "Titoist" regimes, in contrast to the CIA analysis. Although the authoritarian Yugoslav regime remained unpalatable, the prize of breaking up the Soviet bloc through internal stresses was enticing. Here, Kennan hoped, was the strategic opening through which the U.S. could contribute to the gradual retraction of Russian power in Eastern Europe. This was an attractive proposition and as a result the Yugoslav model was made the centerpiece of U.S. policy towards Eastern Europe and the Soviet Union. Kennan used his influence to affirm Washington's encouragement of further "national Communist" governments in Eastern Europe as an interim step towards the longer-term aim to promote the emergence of democratic, non-communist regimes.

Despite the Agency's misgivings, PPS/35 was approved by undersecretary Lovett on 30 June and by Secretary Marshall the following day. Its conclusions were instantly dispatched in a circular telegram to all U.S. diplomatic embassies and consular offices

abroad so that “representatives of this Government will exhibit a uniform reaction to the recent developments in Yugoslavia.”⁵² The paper was then circulated to the Council on 6 July as NSC 18, just days after Kennan had produced the first draft, although the cumbersome NSC then took eight weeks to approve the conclusions of the Yugoslav paper.⁵³

Although US policy was officially defined by NSC 18 as the promotion of “Titoism,” the document itself offered little detail on what this encompassed beyond “guidance.” U.S. officials were instructed to act with circumspection in matters pertaining to Yugoslavia or the wider region, but the strategy to foster further “defections” amongst Eastern European communist leaders was not defined.

A report drafted by the Planning Staff in August reiterated that Tito’s example should be exploited to disrupt Soviet control over the satellite regimes and advance their eventual independence from Moscow:

The disaffection of Tito, to which the strain caused by the ERP problem undoubtedly contributed in some measure, has clearly demonstrated that it *is* possible for stresses in the Soviet-satellite relations to lead to a real weakening and disruption of the Russian domination.

It should therefore be our aim to continue to do all in our power to increase these stresses and at the same time to make it possible for the satellite governments gradually to extricate themselves from Russian control and to find, if they so wish, acceptable forms of collaboration with the governments of the west.⁵⁴

Beyond general aims the American strategy to deal with the Tito regime and with other communist governments was uncertain. There was confusion in the U.S. Embassy in Belgrade, for instance, over whether American officials should initiate discussions with

the Yugoslav leader. If not, then what should be the response to any hypothetical approaches by the Yugoslav regime?⁵⁵

The initial application of NSC 18 was therefore problematic, but confusion over the U.S. position was not clarified by the formulation of a more detailed policy for nearly nine months. Furthermore, during this hiatus OPC was not consulted in relation to NSC 18 and the purported new policy of disrupting the Soviet-satellite relationship despite this seeming to fall within its operational jurisdiction. The need for a coordinated and swift approach gained urgency as the Yugoslav regime became increasingly isolated by retaliatory Cominform measures. Yet as the anti-Tito propaganda campaign and economic reprisals directed by Moscow intensified during the autumn and winter of 1948, American policy was paralysed by strategic indecision.

U.S. diplomatic representatives overseas desperately lobbied Washington in an effort to overcome its hesitancy, calling for more to be done in line with the policy set forth in NSC 18. The American Chargé in Yugoslavia Robert Borden Reams had kept Washington fully apprised of developments at the height of the Tito-Stalin crisis.⁵⁶ As the dust settled in the months that followed, Reams bombarded Washington with telegrams urging the State Department to kick American policy into life. On 31 August he insisted to Secretary Marshall that “[o]ur strategy should seek maximum exploitation increasing opportunities to widen [the] gulf between Yugoslavia and [the] USSR and [to] extend Tito’s influence among [the] Soviet satellites.” This new division, Reams reminded Marshall, “represents today the outstanding political possibility in [the] Soviet

sphere.”⁵⁷ Two weeks later he exhorted the need for a “more active US policy toward Yugoslavia.” Tito’s regime had successfully defied the Kremlin for two and a half months, Reams argued, so “it would appear [that the] US should now discard [its] watchful waiting which has been [the] policy basis toward Yugoslavia and take some affirmative action.” He was backed up by the U.S. Ambassador to Yugoslavia Cavendish Cannon who declared his desire “to break up the Soviet bloc” by playing “upon the fact that there was disunity in the Communist camp,” as well as by the Embassy’s political reporting officer William K. Leonhart.⁵⁸

These views were consistent with the conclusions of NSC 18, but the calls for action had no immediate impact upon the bureaucracy in Washington. This was a renewed opportunity for the State Department to coordinate with OPC to initiate covert political warfare operations in Eastern Europe to exploit the Yugoslav situation. Even though Reams would not have been aware of OPCs existence, he came close to suggesting the type of activities that were within its field of expertise. Although it was too early to “seek political terms” with Tito,” he argued in mid-September, “[p]ossibilities do exist in informational and economic fields” to spread the message of Yugoslavia’s defiance of the Kremlin across the Soviet bloc.⁵⁹ Yet according to John C. Campbell, the State Department officer in charge of Balkan affairs (and a future member of PPS), “it was terribly difficult to get anybody in Washington to move on this.” Instead of a dynamic response from the State Department, there “was just inertia.” Along with the CIA analysts, Charles Bohlen was particularly skeptical about the wider potential ramifications of the Tito-Stalin split. Bohlen cautioned that “thieves fall out. Okay, let’s

just keep an eye on it. It doesn't concern us, and it's not our business to get involved in it in any way or to predict how it's going to go.”⁶⁰

The State Department's sluggishness to respond was indicative of the continuing failure to develop a coherent strategy beyond the superficial policy advocated in NSC 18.

Washington was eventually roused from its slumber, according to John Campbell, by “a famous telegram which the Embassy sent back saying, in effect, “How long is the Department going to sit around? Here we have the greatest heresy since Henry VIII, and Washington doesn't seem to know it yet and to take account of it.””⁶¹ It was not until February 1949 that the administration even attempted to clarify official policy. PPS drafted a new policy paper, but even then it was limited to exploring economic measures.⁶²

Four days later the strategic problem of how the U.S. could gain “maximum advantage out of Tito's deviation from Kremlin hegemony” was discussed at a State Department meeting. Yet beyond economic measures including loosening export-licensing controls to Yugoslavia, options were not explored even though Tito's non-conformity was still considered a valuable “erosive and disintegrating force.”⁶³ The revised version of the policy paper, adopted by the Council as NSC 18/2 on 17 February, propounded the merits of Titoism to disrupt Moscow's control over Eastern Europe. But it still failed to divulge specific U.S. plans to harness this force in its interests, instead waxing lyrical on the merits of the principle of a pro-Tito stance:

Much as we may dislike him, Tito is presently performing brilliantly in our interests in leading successfully and effectively the attack from within the

communist family on Soviet imperialism. Tito in being is perhaps our most precious asset in the struggle to contain and weaken Russian expansion. He must be allowed to prove on his own communist terms that an Eastern European country can secede from Moscow control and still succeed.⁶⁴

The State Department's review of the economic aspects of NSC 18 coincided with a renewed attack on the feasibility of utilising the Tito template by the CIA. Having originally poured cold water on Kennan's initial proposal in the immediate aftermath of the Tito-Stalin rift, the Agency released an estimate on the same day that Kennan drafted PPS/49 observing that "the Kremlin concurrently with its increased pressure on Tito, is taking measures to prevent a spread of "national" Communism into the remainder of the Satellite empire." Therefore U.S. encouragement of further Titoists amongst the Eastern European regimes could undermine American objectives:

Because its system of control is based upon unquestioning obedience to Moscow dictates, the Kremlin's preoccupation with eliminating further sources of rebellion has resulted in an acceleration of plans to neutralize all satellite elements potentially hostile to the Soviet Union.⁶⁵

According to this analysis, Washington courtship of Tito might be inimical to its broader regional goals region as it might galvanise Moscow's liquidation of nationalists and other opponents of Soviet power.

Criticism of the strategic basis of the Titoist policy by the CIA did not deflect PPS however. In early March Ware Adams and John Paton Davies drafted a memorandum for Kennan in which they questioned "whether our national interest calls for any revision" of U.S. policy "at this stage." Adams and Davies did not counsel a reevaluation of the Titoist policy. Instead they questioned the general emphasis of American policy on anti-communism, a tendency that was both clumsy and detrimental to U.S. interests in their

opinion. According to their assessment it was “in spite of” American policies, “and remarkably so, that Tito has rebelled, and the Czechs are showing as much latent resistance as they are.” Washington’s depiction of a communist monolith had aided Stalin’s efforts to create and dominate a politico-ideological alliance in the east, while the Truman administration had failed to provide a viable alternative to Russian authority. “Our anti-communist policy” according to Adams and Davies, “is thus an increasingly great force in aid of the Kremlin’s desire to increase and solidify its monolith.”

Adams and Davies disagreed with the CIA’s negative analyses of the prospects for nationalist communists to emerge as independent forces of the Kremlin. Their paper was a rallying cry borne out of their shared frustration with the U.S. representatives abroad at the lack of a clear policy and the failure thus far to foster further national communists. The PPS officials wondered whether “if we could put certain new refinements on our treatment of “Communism” it might provide an opportunity to “go to town” on the satellite and other communist areas outside Russia.”

Two specific strategies were suggested by Adams and Davies. Firstly, the U.S. should encourage the withdrawal of Soviet occupation troops “to and through” Germany and Austria, presumably along the lines of Program A. By doing this, “we would thus remove one of the major forces binding the satellites to the Soviet Union.” Weakening the Soviet military grip on Eastern Europe would allow Washington to “remove the other major political force binding the satellites to the Soviet Union.” Therefore American policies

must be redefined to distinguish anti-communism from “Russian imperialism,” to engender ideological divisions between Moscow and the satellite regimes.

Adams and Davies did not explicitly refer to Tito, but he was the obvious role model for other regimes to emulate. The ideological offensive against Russian domination could be pursued primarily through a vigorous American psychological warfare campaign. The message of Russian imperialism, they believed, “would be a far keener weapon, much better designated to cut a satellite’s bonds with the U.S.S.R. rather than its bonds with us.” This would be far more effective “than is the blunderbuss of primitive “anti-communism,” [aimed] against a vaguely defined, out of date, self-contradictory, and possibly dying, set of political theories.” Kennan apparently agreed with this sentiment, adding in pencil in the margin that the current “primitive anti-communism” actually splattered “buck-shot into the subjugated as well as the subjugator.”⁶⁶

The Spring 1949 Policy Debates

Despite the divergent stances, these two negative assessments of American policy towards the Soviet bloc indicated the urgent need for a policy review. On 23 February, 1949, the Planning Staff decided that a study of the situation in Eastern Europe should be conducted. PPS summoned the chiefs of the European desks within the department as well as the ambassadors and ministers to Eastern Europe for a series of meetings held in Washington in March and early April. These consultations would explore any positive steps that the U.S. might take, and PPS was particularly keen to study measures to replicate Tito’s deviation from the Kremlin as he embodied Washington’s only

“foothold” in the region. The resulting recommendations were to then be submitted to the department and the NSC.⁶⁷

This indicates that the Washington consultations were not stimulated to address the CIA’s strategic concerns over current policy. Pressure from U.S. representatives on the ground may have prodded the PPS decision to undertake a policy review, along with the Adams-Davies paper. It was also logical to extend the analysis of economic policy recently laid out in NSC 18/2 to incorporate a wider range of strategic themes. But the most likely stimulus for the review was bureaucratic rather than strategic. PPS aimed to preempt a new NSC Staff paper that was being prepared on the same subject. PPS could outflank this study prepared by the military-dominated NSC Staff with its own report and thereby retain overall control of policy formulation.

The NSC Staff was prompted by the Department of Defense’s request for a more detailed definition of measures geared towards military responsibilities. The study on “Measures Required to Achieve U.S. Objectives with respect to the USSR” was conducted as a follow up to the general objectives that NSC 20/4 had laid out without broaching specific strategic details. The first draft of the NSC Staff report was completed on 11 January, 1949, and was discussed by the NSC consultants six days later. Once again PPS demurred from committing to specific programmes of measures. Yet such an approach would have compelled the administration to clarify the strategic application of its policies. Instead the PPS consultant to the NSC George Butler objected to the draft report, just as Kennan had to Forrestal’s earlier paper NSC 20, on the grounds that it

“would lead to rigidity of U.S. position rather than to the flexibility of operations which is essential under present world conditions.” PPS did not attempt to prevent the report from being prepared on the understanding that the final paper would be disseminated “merely as a check list and not for implementation.”

However, when the final document was released on 30 March, Kennan advised his seniors that it would be “dangerous” to give State Department approval to it. The Planning Staff was rattled by this external attempt to develop policy and resented the attempt to link the objectives in NSC 20/4 and NSC 18 to a specific set of measures. Kennan sent Marshall’s successor Dean Acheson and the new undersecretary James Webb two messages in early April stating his firm opposition to the paper.⁶⁸ He then explained his position at a Departmental meeting on April 15 to ensure that the report would not be endorsed by his superiors. The military services, Kennan argued, seemed “unable to realize that in a field of foreign policy specific planning cannot be undertaken as they propose in the above paper.” For this reason Kennan “had all along raised objection to this approach.” Now that NSC 20/4 had been approved “no further detailed programming was necessary or desirable.”

On top of his objections to the nature of the paper, Kennan also opposed “its assumption that a war with Russia is necessary.” In contrast, State Department thinking was based on “the assumption that some *modus vivendi* was possible.”⁶⁹ This was a reference to the PPS conception of peaceful means to promote American objectives, including the gradual fragmentation of Soviet predominance in Eastern Europe. Covert political warfare was

regarded as a vital component of the non-military armoury, although to date PPS had failed to integrate this methodology within its national policy statements.

The NSC Staff report did not explicitly link OPC with a range of measures towards the Soviet bloc, although it referred to OPC's work under NSC 10/2 in the section dealing with overt and wartime psychological warfare. Peacetime "covert" political warfare had been disembodied from the mainstream of strategic planning because of its high security classification within the government. Moreover, the NSC Staff concentrated on military planning and policies. Consequently, it largely paraphrased the generalised recommendations in NSC 20/4 pertaining to peacetime political and economic measures against the Soviet bloc and did not advance the strategic debate.

The primary aim of U.S. policy in peacetime, according to the NSC Staff, was to foster "in all appropriate ways the political and economic unification of Europe." The specific means of achieving this was not clarified. For instance the document advocated developing "internal dissension within the USSR and disagreements among the USSR and Soviet orbit nations" as well as the encouragement, development and support of "anti-Soviet activist organizations within the Soviet orbit."⁷⁰ But broad intentions were not translated into a specific strategy for OPC and other government agencies to implement.

The assembly of the various regional specialists and representatives in Washington during March and April provided the forum for a comprehensive reevaluation of

American policy towards the Soviet bloc and the development of a strategic framework to tie together its goals.⁷¹ The breadth of participation also raised the prospect that policy would be better coordinated between the geographic desks and PPS in Washington and the U.S. Embassies and Missions in Soviet bloc countries. However, OPC was not represented at the discussions, so its input was not obtained and consideration of its role overlooked. Robert Joyce, the PPS liaison official to Wisner's office, attended the final meeting on 1 April as well as the Planning Staff meetings related to the talks. Although Joyce presumably relayed some of the major themes and issues emanating from consultations back to Wisner, beyond this OPC was excluded.

As an external agency it was logical that OPC did not participate in State Department discussions. More problematic was the fact that many of the desk hands and U.S. representatives abroad were excluded from access to OPC. Its compartmentalised and secretive existence within the administration therefore prevented OPC's participation. Furthermore, PPS regarded OPC as its "instrument" to conduct State Department policy and therefore OPC's opinion was considered superfluous at these policy meetings. But OPC's exclusion underscored the failure to fully integrate political warfare into its strategic thinking on the policy level.

Nevertheless, the Washington consultations were a genuine chance for the State Department to develop a strategy to pursue U.S. objectives in Eastern Europe and the Soviet Union. Yet at their conclusion little advance had been made on previous PPS and NSC policy statements. At the first meeting on 1 March, Kennan explained to the group

that U.S. policies over the past two years had focused on ERP and the objective “to help save Western Europe from communism.” Now that this “has been achieved to a great extent,” Washington’s aim should be “to obtain the retraction of Soviet power from Eastern Europe.” If this could be achieved then “war should not be necessary.”

This correlated with the goals in NSC 20/4 but there were promising indications that the consultants would expand on the general aims expressed in that document. Kennan explained that the new study would comprise an individual and collective examination of the Eastern European countries. This would more effectively “determine what we can do to bring about the retraction of Soviet power from that area.” In particular, Kennan believed that the group assembled before him would be able “to determine what are the weak spots on which to hammer relentlessly” as well as to confirm “whether we want in the first instance some form of Titoism.” Ambassador Walter Bedell Smith endorsed the interim Titoist policy encapsulated in PPS/35 and NSC 18. The Kremlin’s leaders, he informed the meeting, “fear Titoism above everything else.” Echoing the Adams-Davies memorandum, Smith argued that Washington, on the other hand, should “not fear communism if it is not controlled by Moscow and not committed to aggression.”⁷²

Kennan’s call for a methodical examination of the individual satellite countries came at the same time that he was attempting to revitalise Program A. In his view, the successful outcome of that initiative and the withdrawal eastwards of Soviet troops would foster the conditions with which he hoped interim national communist or even independence

movements could flourish in Eastern Europe. The demise of Program A would, on the other hand, leave the gambit of national communism stranded.

Yet it was plain by spring 1949 that the Truman administration was committed to the alternative course of German partition and a Western European military alliance. This route would inevitably harden the Soviet resolve to dominate Eastern Europe, negating the prospects of national communism. The broad “Titoist” policy was not replaced during the Washington consultations with a more specific and viable strategy that reflected the stark reality of Soviet intolerance of independent regional forces. The Eastern European ambassadors and division chiefs also ignored the Agency’s pessimistic assessments of the viability of fostering national communism. Following three meetings in March, the national communist policy continued to be endorsed at the final meeting on 1 April.⁷³ Kennan remained its keenest proponent, claiming that “Titoism as a disintegrating force in the Kremlin monolith should be stimulated and encouraged.”

Although some operational ideas were raised at the Washington policy talks, no policy statements were produced at their conclusion clarifying U.S. strategy towards the Soviet bloc.⁷⁴ Just one month after the consultations, the continued strategic vacuum was highlighted when Undersecretary Webb requested that PPS explore “a more active policy toward the satellites.”⁷⁵ Despite this, the Planning Staff continued to resist the efforts of the Department of Defense to clarify policy through development of the NSC Staff paper. Ironically Kennan solicited Webb’s support, despite his own call for policy clarification,

and the undersecretary in turn approached Souers in the NSC to ensure that the NSC Staff paper did not gain leverage within the administration.⁷⁶

The Development of Soviet Bloc Policy, June-December 1949

Having opposed the production of a policy statement by the NSC Staff, under Webb's prompting PPS was obliged to supply the administration with an alternative State Department paper. Kennan once again found himself cornered in having to meet the administration's need for a clarification of its policies. Yet it took the Planning Staff several months following the Washington consultations to submit a report. This delay allowed strategic uncertainties and ambiguities to persist in its dealings with the Soviet bloc in the meantime.

By mid-1949 PPS began to develop fresh policy papers. Kennan's role was now diminishing following the rejection of Program A. He recognised that isolated political warfare operations would be futile without simultaneous diplomatic settlements with Moscow. Kennan's efforts to foster a viable strategy to overcome east-west divisions receded as his despondency over the militarisation of the Cold War increased. In the autumn of 1949 he stepped down as director of PPS and was formally succeeded by his deputy Paul Nitze at the beginning of 1950. Although Secretary Acheson nominally promoted Kennan to the position of State Department Counselor, the transfer reflected his alienation from the mainstream of departmental policy-making and his shift towards a career away from Washington.⁷⁷

The personnel gap created by Kennan's decline was immediately filled by his colleagues in the Planning Staff. But the strategic gap in U.S. policies was not so easily addressed. In mid-1949 Kennan assigned John Paton Davies "the task of thinking up some brave new approach to the question of what we do about Eastern Europe." According to John C. Campbell, "the basic reason for [...] the initiative, came from the fact that the Marshall plan seemed to be a fruitful idea for Western Europe, but for various reasons we had been unable to extend it to Eastern Europe." This was the crux of the problem as the "Russians had prevented the East European countries from taking part" and this raised the dilemma that "what we were doing through the Marshall plan was really helping to freeze the division of Europe and did not help the situation at all in Eastern Europe."⁷⁸

The first paper submitted was not a direct response to this request and was drafted by Robert Joyce rather than Davies.⁷⁹ On 29 June, Joyce submitted a report on "Policy relating to Defection and Defectors from Soviet Power." PPS/54 did not address the strategic dilemma of how to link U.S. policies in Western and Eastern Europe through a broad range of political warfare operations. Instead it was a tactical report on a specific operational field. Joyce believed the best sources of accurate information on the Soviet bloc available to the United States could be provided by defectors, particularly from the Soviet elite. He called for the systematic exploitation of this source of intelligence from government and communist party members, military and intelligence officers, technicians and other professionals seeking exile from Eastern Europe and the USSR. Joyce also linked PPS's efforts to organise émigrés to be put to work on American psychological warfare operations against the Kremlin with a defector programme. According to Joyce

defectors would be amongst the best qualified for this role, to explode the myth of communist propaganda and to reveal the true conditions of life within the communist bloc.⁸⁰

Still in position at this time, Kennan endorsed PPS/54's recommendations when he forwarded it to Acheson and Webb two weeks later. He urged that the State Department ensure that safe haven in the United States was provided to the maximum number of "bona fide escapees, defectors and deserters" from the Soviet bloc as possible. These political exiles should be mobilised to advance U.S. propaganda efforts and to enhance the administration's knowledge and understanding of the Soviet world. "In Washington," Kennan explained, "the Department of State should coordinate the position of the Government in important cases with a view to obtaining from them the maximum advantage in the fields of intelligence information and psychological exploitation."⁸¹

A broader policy report took shape within PPS in June than the "micro" defector paper. At a meeting of the Planning Staff on 2 June, the first draft of PPS/59 "U.S. Policy toward the Soviet Satellite States in Eastern Europe" was discussed. This paper was prepared primarily by Joyce and Davies within PPS over the summer, in light of the Washington consultations back in March and April.⁸² On 24 August PPS met and agreed on a final draft that was submitted Webb two days later with the recommendation that it be disbursed amongst NSC members for information following his endorsement of its conclusions.⁸³

According to Joyce and Davies, the primary purpose of PPS/59 was to tackle one of the major problems facing U.S. strategists in mid-1949. This was to define a clear link between methods and the chief objective “to reduce and eventually to cause the elimination of dominant Soviet influence” in Eastern Europe. This general aim approved under NSC 20/4 nine months earlier was still not accompanied by a precise strategic plan akin to the administration’s approach to Western Europe. Although PPS/59 described the complex factors that limited US influence in the region, hinting at the earlier misgivings expressed by Adams and Davies over the efficacy of current US policies, it continued to evade the persistent challenge of identifying a feasible methodology for its policy.⁸⁴

PPS/59 acknowledged that the Yugoslav-Soviet rift was heavily influenced by the internal characteristics of the Tito regime. This tallied with attitudes long held by CIA analysts, although these opinions had not filtered into PPS/35 or NSC 18. Joyce and Davies now agreed with previous Agency estimates that identified the connection between Yugoslavia’s ability to exercise independence from Moscow and the specific nature of Tito’s domestic political power. According to PPS/59 several factors peculiar to Yugoslavia converged to enable the regime’s defiance of Moscow- the Yugoslav Communist Party was largely Tito’s personal creation, the country had not been occupied by the Red Army at the end of World War Two and from its inception the regime had successfully resisted widespread penetration by Stalinist agents.

PPS/59 therefore accepted that unique circumstances in Yugoslavia explained why Tito was able to exercise an independent path from the Kremlin. It also recognised that such

“[c]onditions do not now exist in the satellite states which would permit them promptly to follow the pattern of Yugoslavia.”⁸⁵ Yet the paper did not explicitly reject the notion of nurturing national communism. The absence of requisite conditions in any other Eastern European country seemed to render promoting further national communists invalid. Yet according to one Planning Staff colleague, PPS/59 was “merely a codification” of the existing Yugoslav policy and an attempt to apply it more generally to the rest of the Soviet bloc.⁸⁶

Joyce and Davies argued in language reminiscent of NSC 7 that “the time is ripe for us to place greater emphasis on the offensive.” Primarily this “offensive” should entail encouraging more “schismatic communist regimes” to emerge in the Titoist mould, no matter how “weak” the “grounds” for such a policy “may now appear.” Washington could contribute to the “heretical drifting away process,” according to PPS/59, without being “directly involved in engaging Soviet prestige.” This was crucial because infringing vital Soviet interests would almost certainly precipitate a military confrontation. The Truman administration was committed to avoiding a direct military conflict with Moscow unless its own vital interests and national security were threatened.

Joyce and Davies were fishing for a Soviet bloc strategy but no convincing options took the bait. This resulted in illogical policy recommendations within PPS/59. It was admitted that promoting non-Stalinist communist regimes was “the only practical immediate expedient” open to U.S. strategists. The ultimate goal of fostering independent, democratic governments in Eastern Europe was therefore even less credible. But the

Planning Staff settled on the Titoist middle course riddled with flaws and contradictions despite warning that the promotion of heretical communism risked endangering the fundamental long term goal of fostering non-communist regimes. Given that neither course was realistic in practice, this theoretical concern actually mattered little.⁸⁷ Projecting national communism or anti-communism beyond Yugoslavia was not viable and PPS/59 contained numerous counter-arguments delegitimising the validity of this “strategy.” It was evident that Stalin would not tolerate nationalist communists who defied his supreme authority any more than he would accept anti-communists in his backyard. CIA analysts had long since debunked this notion. The latest round of purges in the satellite countries made it plain that developing any modicum of independence was infeasible without resort to war.⁸⁸

The flawed national communist policy barely papered over the strategic vacuum. Moreover, specific measures continued to be evaded. Instead the Planning Staff described U.S. activities in general terms. Washington should aim to bring about the withdrawal of Russian and American occupation forces from the European continent to remove one crucial lever of control exercised by the Kremlin over the satellite governments. Notwithstanding the hope that settlements over Germany and Austria could be reached, there was little Washington could do to influence the Red Army’s retraction from Germany and Eastern Europe. With the demise of Program A and Washington’s decision to proceed with the North Atlantic Treaty, the prospects for a negotiated settlement in Central Europe were as distant as ever.

PPS/59 also called for the US “to attack the weaknesses in the Stalinist penetration of satellite governments and mass organizations” even though it conceded that “this will be no easy task.” The “employment of “conventional political, economic and propaganda measures” would have to be “heavily” supplemented by the “weapons in the armory of clandestine operations” in order to “attain full effectiveness.” The Planning Staff recommended that covert operators should “unremittingly” focus their “attack” on “the ideological front, specifically directed at the Stalinist dogma of satellite dependence upon and subservience to the U.S.S.R.” Despite this emphasis on covert psychological and political warfare, Joyce and Davies betrayed the impotence of these methods in practice, for it was “probably in the economic realm that we can most concretely make our influence felt” rather than through any subversive methods.

As with the other reports drafted in Washington, PPS/59 was of little practical use to OPC in the field. The document sent out a muddled message. OPC’s operations must be strategically aimed towards supporting certain types of nationalist communists over Stalinist groups, rather than to non-communists and anti-communists. The methods by which to wage this campaign were only vaguely described in the broadest terms. Although the dissemination of propaganda promoting the virtues of nationalism in the satellites was well within OPC’s capabilities, PPS/59 did not explain how this could be done without arousing nationalist sentiment of an anti-communist character. Of course, there was no practical way of restricting the effects of American-sponsored psychological warfare operations on the ground in these countries from the other side of the iron curtain.

The stricture that national communists rather than anti-communists should be promoted was not written into PPS/59 because it was strategically viable. It actually reflected the negative prerogative that Russian vital interests must not be threatened by U.S. actions to avoid provoking war with the Soviet Union over Eastern Europe's independence. After all, PPS/59 described the region as being "of secondary importance on the European scene."⁸⁹ The national communist policy therefore opened up two strategic cul-de-sacs. In the unlikely event that "heretical" communists managed to organise a cogent political movement in an Eastern European nation, Washington was not prepared to step in with military support to protect it from the certain Soviet backlash. Washington would also not intervene if a popular anti-communist rebellion rose up against a satellite regime because to do so would again engage Soviet "prestige" which would almost certainly spiral into a direct military conflict. American policy, in other words, was facing a dead end. Both types of movement would inevitably be crushed by the Red Army, as was demonstrated to devastating effect in the coming decades in East Germany, Hungary and Czechoslovakia.

Despite its flaws, the substance of PPS/59's conclusions and recommendations survived the debating and redrafting process. John Campbell recollected that during its preparation some "really rather extensive and sometimes bitter arguments" broke out between PPS and officials from the geographic desks over its promotion of nationalist communist groups. Sections of the State Department objected to a policy "that seemed to accept that Communism was okay for Eastern Europe, basically." This was fundamentally a dispute

over the “morality” of the U.S. approach that did not call into question its strategic viability. Thus the core “strategy” survived in the absence of compelling alternatives.⁹⁰ With the demise of Program A and the determination of senior figures like Acheson and Nitze to only negotiate from “positions of strength,” there was a serious absence of feasible options towards the Soviet bloc. The State Department therefore clung to the pretense that the U.S. could influence regional developments behind the iron curtain through measures short of war. In reality this simply facilitated the pursuit of other priorities, especially the consolidation of political, economic and military strength in Western Europe.

The London Conference of U.S. Ministers to Eastern Europe

Although the wider administration generally concurred with PPS/59’s conclusions, the central concept to promote the Yugoslav model elsewhere in Eastern Europe was only tenuously accepted. The new statement of Soviet bloc policy was examined at a three day conference in London in late October of the U.S. Chiefs of Mission to Eastern Europe. This conference was convened at the suggestion of Truman in May that the Eastern European Chiefs of Mission should periodically meet to discuss and develop policies.⁹¹ It also provided an opportunity for the regional representatives to follow up on the Washington consultations now that a policy statement had been drafted by PPS.

The group of ministers “unanimously” agreed with the gold standard that “Tito’s defection has created a schism in the communist world that should be exploited.”

Yugoslavia’s current status “represents a fundamental challenge to Moscow’s control of

the world communist movement.” Furthermore, because Tito’s “defection” raised the “basic issue of nationalism” his example could challenge “the Kremlin’s control and discipline within the world communist apparatus.”

When this issue was directly related to the “question of whether the Titoist movement would spread to other satellites” the expectations of the ministers was considerably less positive. There was “general agreement” among the participants that “because of geographic and other factors, including the presence of the Red Army and the lack of any organized opposition, there was no prospect at this juncture of a successful attempt to emulate Tito’s action.” The effort to “keep Tito afloat” was vital in terms of perpetuating the Moscow-Belgrade schism and to divert the Kremlin’s presumed expansionist energies away from Western Europe, but there was believed to be little potential of driving a wedge between Moscow and the other regimes in Eastern Europe.

The ministers did not explicitly reject the central “strategy” now embodied in NSC 58 to foster further national communist movements outside Yugoslavia. Tellingly, however, the London conferees stressed the fundamental importance of devising a strategy to facilitate NSC 58’s conclusions. For the ministers, “the execution of the tactical plans” that would embody the substance of the generalised policy statement was “of the greatest importance.” This “tactical” approach required the State Department to begin “carefully” planning specific programmes of operations “with the maximum practicable coordination” with the missions “in the field” in Eastern Europe. The “most readily available weapons” envisaged at the London Conference included “economic pressures”

against the Soviet bloc countries, alongside the “proper use” of VOA and “possibly other informational media.” The representatives counseled that “tactical planning and implementation of such plans as are developed are a matter of great urgency and should be receiving the immediate attention of the appropriate elements of the U.S. Government.”⁹²

The London Conference highlighted that OPC’s role in the region was not being considered on a department-wide basis. Although security requirements dictated that the utmost secrecy should surround the organisation, OPC’s unique capabilities and mandate allowed it to conduct operations behind the iron curtain with far greater flexibility than any other government agency. Furthermore, OPC was specifically charged to develop the types of operation that had been touched upon by the Eastern European ministers- namely psychological, political and economic warfare activities. By calling for the initiation of coordinated tactical planning between the State Department and the field missions, the London Conferees demonstrated that OPC was at the very least not being coordinated with the official American missions in Eastern Europe.

The strategic implications exposed by the London Conference were just as significant as the lack of organisational coordination. The appeal by the regional representatives for urgent tactical planning highlighted the continued absence of a strategic framework behind departmental policy statements. Responsibility for the development of policy tended to be delegated by senior departmental officials to PPS, but the Planning Staff had consistently shied away from detailed and specific planning within its policy papers. PPS

had successfully stifled calls from outside the department to link broad objectives with more definite methods in order to retain its control over policy. This had also covered up the fact that “peaceful” methods were totally inadequate to achieve the stated goals. However, this time the call for tactical planning beyond broad intentions came from within the Department of State.

Despite the lack of a strategic basis for U.S. policy, when NSC 58 was disseminated among the Council members for consideration the State Department released two further reports focusing exclusively on Yugoslavia. These papers emphasised the short term “micro” goal of supporting Tito’s survival against Soviet and Cominform subversive pressures, without abandoning the concept of Titoism spreading throughout the Soviet “empire.” The first of these papers, released on 1 September, argued that Titoism should be preserved as “an erosive and disintegrating force within the Russian power sphere” in order that the United States could “extract the maximum political advantage from this quarrel within the communist family” without divulging any U.S. actions to support this. PPS/60, completed 10 days later, reiterated that the current Yugoslav regime embodied a “profound rift in the Kremlin control of international communism.” An “Information Memorandum” released by State’s Office of Public Affairs also declared that “the gloves are off in the conflict” between Moscow and Belgrade. This was “extremely important from the standpoint of world politics and communist ideology” in establishing “a position of equality for all communist states rather than deference to the decisions of Moscow.” Yet according to the State Department the longer term aim for Yugoslavia to emerge as an independent, democratic and Western-leaning state was “not realizable at this time.”⁹³

Extending American support to Tito's regime was firmer strategic ground than the broader pursuit of region-wide nationalism by communist "heretics" as called for in NSC 58. But the release of specific reports at this time on the Yugoslav case diverted attention from more fundamental strategic concerns raised by the broader policy document. This effect was demonstrated at a meeting in Paris of the U.S. ambassadors to Western Europe held days before the London Conference of Eastern European ministers. While the well-worn theme of the importance of Yugoslavia's independent course from the Soviet Union was emphatically endorsed, the ambassadors did not review the policy of promoting region-wide Titoism. Now Minister to the Embassy in France, Charles Bohlen declared that despite the distasteful moral character of the Yugoslav regime, the "Tito heresy was the most important recent development, striking at the very roots of Kremlin domination, and may prove to be the deciding factor in the cold war."⁹⁴ Harriman concurred, adding that "victory or defeat of Tito may be our victory or defeat in the cold war." The ambassadors did not explicitly question whether the Yugoslav model should form the basis of the broader regional policy contained in NSC 58 but appeared to tacitly concur.⁹⁵

The military also threw its support behind the principle of supporting Titoism in its response to PPS/60 rather than NSC/58. The Yugoslav paper was disseminated among Council members as NSC 18/3 in early November. In its response the JCS reported that they "fully concur" with the conclusions of that paper that "it is in the important interests of the West that Tito maintain his resistance." The JCS anticipated that "security advantages to the United States" might accrue from this divisive situation. These advantages would develop, according to the JCS, "especially if Tito's example gives

impetus to defections by other satellite states.” In short the JCS hoped that the Tito phenomenon would have a broader impact on Eastern Europe, a similar sentiment to that expressed in NSC 58:

Yugoslav success in opposing Soviet domination could, in fact, present opportunities which the United States might capitalize on to attain certain of its national objectives as set forth in NSC20/4.

For this reason “from the military point of view” the provision of economic and military aid to Yugoslavia to support its independent existence “short of participation” was deemed as sound. It was not the place of the military to suggest methods by which the US could foster further “defections” among the satellites in peacetime, and none were forthcoming.⁹⁶

No basic analysis of the strategic feasibility of promoting nationalism among the communist regimes in Eastern Europe as an interim stage in their de-communisation was adequately undertaken during the drafting of NSC 58 or NSC 18/3. The final version of the Yugoslav paper, approved as NSC 18/4 by President Truman on 18 November, focused on likely aggressive Soviet courses of action to undermine Yugoslavia in the near future. Little attention was drawn to the positive role that Washington could play in the wider region as emphasised in NSC 58.⁹⁷

The latest redraft of NSC 58 by the NSC Staff was discussed at a PPS meeting one week before the final statement was approved by the Council. Paul Nitze emphasised aspects of the paper, particularly concerning economic policy, that could confidently be pursued by Washington. But Nitze was puzzled about the overall strategy, expressing “some doubt

about the emphasis on covert activities, preferring to place our emphasis on the ideological factor.”⁹⁸ This confusion indicated the prevailing lack of a clear and unified vision within PPS and the wider administration regarding how the undefined political warfare programme would bring about NSC 58’s interim and longer term objectives. Alongside the muddled policy and despite his growing alienation, Kennan continued to reject the calls for the State Department to define basic U.S. objectives linked to a detailed framework of methods.⁹⁹ Both the design and application of Soviet bloc policy was in disarray.

Although the State Department was unable to resolve the strategic flaws of the national communist policy, CIA again succinctly rejected its basic premise while NSC 58 was still being redrafted. A memo drafted on 7 November under the title “Satellite Relations with the USSR and the West” explicitly dismissed State’s suggestion that other regimes in Eastern Europe might follow the Yugoslav pattern. Whether or not this conclusion reached senior officials in the State Department or the NSC Staff, its nuanced estimation of the political situation behind the iron curtain made no impact on the flawed policy conclusions contained in NSC 58.

The Agency continued to advise that the “separation of any Cominform Satellite from the Soviet orbit is unlikely under present conditions.” Circumstances “comparable to those which enabled Tito successfully to challenge Soviet domination in Yugoslavia do not exist in the other Satellites.” On top of this, Moscow’s resort to “drastic remedial measures” and the firm control of the satellite regimes “eliminate the possibility that any

Satellite in the near future can be separated from the Soviet Union by measures short of war.” The CIA accepted the notion that the seeds of nationalist discontent bore the greatest potential over the long term for driving out Soviet and communist domination. But the short term prospects for developing independent movements within the communist bloc were accurately assessed as extremely bleak.¹⁰⁰ The logical conclusion from this was that the national communist strategy must be abandoned. Yet consideration of this did not even filter into the drafting of NSC 58 because it cut against the grain of State Department policy.

The Planning Staff was not entirely oblivious to the cracks that were beginning to show in the developing policy statement. John Davies, who had vented his frustration over the lack of success of the national communist policy to Kennan in March 1949, penned another memorandum in October raising the alarm over several inadequacies, as he saw them, of U.S. operations targeting the Soviet bloc. In this paper Davies distanced himself from the interim national communist policy advocated by Kennan, without attempting to define an alternative strategic framework in its place. Instead he explored broad aspects of a U.S. strategy aimed at generally weakening the Kremlin’s control over its own population, and by extension the peoples of Eastern Europe. Washington should concentrate on undermining Moscow by harnessing the most powerful resource available to it in the region, the popular nationalist sentiment that was invariably anti-communist in character. Implicit in this message was that Kennan’s “middle course” of encouraging interim communist regimes acting independently of the Kremlin was neither desirable nor viable.

Davies argued that the Soviet imposition of the “iron curtain” and its “massive jamming” of VOA broadcasts evidenced the extent to which the rulers in the Kremlin feared the revolutionary potential of their own people. In two respects, Davies added emphatically, the United States “have thus far been delinquent in exploiting this Soviet vulnerability.” In terms of its peacetime activities Washington had failed to deliver an effective propaganda offensive against the Soviet Union. A “Russian non-returnee organization in Europe” should be established to act as a cover for psychological warfare operations against Moscow. The U.S. could then mobilise its energies towards the large-scale production and dissemination of anti-government propaganda leaflets “almost daily over the eastern portion of the U.S.S.R. by means of meteorological balloon.” This propaganda barrage would serve several purposes, according to Davies. It would supplement VOA broadcasts in “bolder and blunter tones,” vulnerable as they were to Soviet jamming. It would also engage and divert the Soviet security apparatus into the “highly uneconomic activity of collecting small pieces of paper throughout Russia west of the Urals.” It would also intensify the “prevalent atmosphere” of “domestic suspicion and mutual denunciation” within the Soviet Union.

The suggestions made by Davies for peacetime measures were hardly radical in the context of the early cold war. In fact, they constituted the minimum of what PPS had been calling for over the last year in terms of expanding the psychological warfare campaign. Therefore this memo was significant not so much for what it proposed, but because Davies felt compelled to draw attention to the inadequacies of current U.S. policies and operations. This indicated that fissures were growing over the national

communist strategy, particularly because it was failing to deliver results and was generating considerable confusion within the administration over what operations the United States should actually conduct in Eastern Europe.

This confusion primarily stemmed from the central dilemma of whether to endorse a strategy of liberation in Eastern Europe with all of the ramifications that this invoked. Alternatively should the United States settle for a more limited and arguably less effective middle course that ruled out provocative methods? In his October 1949 memorandum Davies did not advocate a revolutionary policy during times of peace. He did however come fairly close to endorsing this by recommending the highly visible peacetime organisation of a U.S. capability to stimulate civil war in Russia should hostilities break out. Washington should establish “the nuclei of organized revolt in the event of a war.” Davies maintained that this “would seem to be relatively simple” and was something that had been “anticipated in the drafting of NSC 10/2.” The U.S. “should overtly enlist numerous small cadres from anti-Soviet elements” who could be “openly trained as airborne and parachute guerrilla units and foci of organized revolt.”

Although these émigré units would be strictly limited to wartime use, their employment and training would serve U.S. peacetime objectives by acting as a deterrent to Soviet aggression. They would convey “the clear implication,” Davies explained, “that in the event of war they would be introduced into the interior of Russia for purposes of organizing civil war.” So long as the Soviet Union retained a totalitarian political system Davies felt that “such units may represent a closer approximation the absolute weapon

than the atomic bomb.” The Kremlin’s fear of indigenous uprisings was so intense that wielding the threat of revolution in peacetime might restrain the Kremlin from rash foreign policy adventures. The conspicuous organisation of émigré groups to stimulate civil war could be “the strongest insurance we can buy against overt Soviet aggression.”¹⁰¹

The Adoption of NSC 58/2

On 8 December, 1949, the NSC finally adopted a policy statement on the Soviet bloc. Despite the lengthy wait for its production, the new policy did not resolve the emerging administrative fissures over the developing policy’s strategic flaws. Instead NSC 58/2 papered over the cracks, striking an ineffective compromise between advocating the overthrow of communist regimes and non-intervention in Eastern Europe.

The middle course set out by NSC 58/2 retained the long term goal of developing “independent non-totalitarian and non-communist governments willing to accommodate themselves to, and participate in, the free world community.” Due to the realities of Soviet and communist power in the region, however, practical expediency dictated that the United States pursue the interim goal of installing temporary national communists behind the iron curtain. This therefore marked a shift from NSC 20/4 that had failed to distinguish between the removal of Soviet and communist power. The new approach would ostensibly allow Washington to move beyond the “defensive accomplishments” of the “containment” strategies in Western Europe. The NSC accepted that the “time is now ripe for us to place greater emphasis on the offensive to consider whether we cannot do

more to cause the elimination or at least a reduction of predominant Soviet influence in the satellite states of Eastern Europe.” In particular Washington should concentrate its energies on undermining the Soviet-satellite relationship now that Western European recovery and stability was relatively secure.

The central question remained how to achieve the objectives set out in NSC 58/2 and what the “offensive” would specifically comprise. The document rejected recourse to a direct conflict “if for no other reason, because it is organically not feasible for this Government to initiate a policy of creating a war.” Of greater significance in reality, Washington deemed the region to be “of secondary importance on the European scene.” Advancing Eastern Europe’s self-determination was not a geopolitical priority so American policymakers would only commit limited methods and resources to this end. A direct conflict with the Soviet Union to secure the region’s independence was out of the question, especially since Moscow’s acquisition of the atomic bomb.¹⁰²

The explicit rejection of war as a means of liberating Eastern Europe was important for a number of reasons. Firstly, it raised the fundamental question of whether U.S. objectives for the region could be achieved in the foreseeable future without recourse to military conflict. If U.S. goals as they stood were peaceably unrealisable then a dramatic reassessment of these aims was required. Furthermore, the explicit rejection of force of arms intrinsically restrained the methods Washington could pursue short of war. Operations would have to be limited to avoid provoking the Kremlin and sparking a major crisis.

This implicitly pushed American policy towards non-intervention. But this was ideologically repellant to American policy makers at the outset of the Cold War. On the domestic political level it would potentially be extremely damaging to adopt an explicit course of non-intervention acknowledging American impotence in Eastern Europe. At the dawn of the McCarthy era, and following the bruising attack on the administration following the perceived “loss” of China to Mao’s communist forces, the government could ill-afford another foreign policy hit on the domestic front. The Republicans were determined to capitalise on Truman’s growing unpopularity in foreign affairs, particularly because the GOP believed that Thomas Dewey partly failed in his presidential bid by pulling his punches on foreign policy.

The administration was therefore in a bind over Eastern Europe. Faced with the unacceptable alternatives of war or negotiations, NSC 58/2 persisted with an unrealistic compromise policy to foster national communists in Eastern Europe as a temporary step.¹⁰³ The policy was indecisive, reflecting growing disquiet within sections of the administration over the credibility of the national communist strategy balanced against the lack of suitable alternatives. Doubts over the broader prospects for national communism were even expressed in NSC 58/2. It was admitted, for instance, that conditions “do not now exist in the satellite states which would permit them promptly to follow the pattern of Yugoslavia.” Despite the lack of requisite conditions, confusingly it was suggested that if “we are willing that, as a first step, schismatic communist regimes supplant the present Stalinist governments, we stand a much better chance of success.” It

was unclear how such regimes could prevail when it was also accepted that the conditions for their emergence did not exist.

The paper marked an improvement on previous policy statements because it did explore “specific” aims that could foster conditions akin to those in Yugoslavia. This included the elimination of “all forms of Soviet intimidation,” the isolation of “Stalinists from the nationalist elements” of the communist parties and criticism of the Stalinist dogma of “satellite subservience to the USSR” by encouraging nationalism. Washington should do “what it can practically, particularly through covert operations and propaganda.” But again NSC 58/2 contradicted itself. Political and psychological warfare should simultaneously be employed “to keep alive the anti-communist sentiment and hope” of *non-communists* within the satellites, as well as bolstering nationalist communist elements, according to the report’s conclusions.

NSC 58/2 was an imaginative document, but it was not grounded in practical realism. For instance, it left unclear how national communist regimes, should they emerge, could avoid incurring the wrath of the Kremlin. The U.S. rejection of war ruled out militarily deterring Soviet reprisals. NSC 58/2 fancifully envisaged the gradual emergence of two opposing communist blocs stimulated by the American policy to foster “a heretical drifting-away process on the part of the satellite states.” This was described as the “more feasible course” that might lead to the growth of “a Stalinist group and a non-conformist faction” rather than openly non-communist regimes. Hypothetically these “schismatic”

communist governments would evolve over the longer-term into democratic western-oriented.¹⁰⁴

The middle course endorsed by NSC 58/2 led to a muddled and confused strategy. With the simultaneous promotion of national communist regimes and popular anti-communist movements behind the iron curtain it endorsed mutually exclusive aims. Meanwhile, the ramifications of Moscow's inevitable intolerance of either group were downplayed. Finally, the regional aspirations stated in NSC 58/2 were further weakened with explicit acknowledgment that the U.S. would not militarily support the nationalist or independence movements in Eastern Europe that Washington was attempting to foster.

The Transition of Policy in 1950

Despite its inadequacies, PPS continued to promote the national communist policy following the approval of NSC 58/2 by the Council. On 9 December a PPS draft paper called for the launch of an "Offensive to Eliminate or Reduce Predominant Soviet Influence in the Satellite States of Europe and China." Entitled "The Position of United States in World Affairs," this document gave particular emphasis to replicating Titoism in other communist states:

[...] we are now planning an offensive to foster communist heresy among the satellite states and in China, and so, if possible, to begin the disintegration of the Soviet empire. Encouraged by the possibilities of Titoism and the uncertainties of the developments in China, we are now seeking to devise some means to encourage the emergence of non-Stalinist regimes as temporary administrations, with the intention that eventually these regimes will be replaced by non-totalitarian governments willing to participate in good faith in a free world community.

PPS recognised certain problems inherent in this approach but failed to resolve them. In the short term a campaign to foster further communist “heretics” might provoke a defensive crackdown by Moscow. This course could prove counter-productive to the U.S. therefore, because “the conduct of an offensive on our part may for some time increase the sense of insecurity in the Kremlin and so contribute to solidifying Soviet influence and control in its empire rather than weakening it.” The near-certain liquidation of indigenous nationalist elements behind the iron curtain was brushed off with an unconvincing assertion that the “outcome will depend in great part on the skill and judgment with which we determine our moves.”¹⁰⁵

The first progress report on NSC 58/2 also failed to question the viability of “the short-term objective of disrupting the Soviet-satellite relationship” by “weakening the Soviet grip in these countries.” Although it was difficult to measure “tangible results of our measures,” it was thought that the “wave of purges” of communists and non-communists in Eastern Europe indicated Soviet apprehension of “deviationism.” The progress report did not however acknowledge that this illustrated that political deviants of any persuasion were unlikely to survive. Instead emphasis was given to exploiting political instability within the Soviet bloc, because in “the atmosphere of suspicion and fear it may be open to us to widen some of the cracks which are appearing in the structure of Soviet control by psychological, economic and other means.”¹⁰⁶

Kennan also failed to accept the flaws inherent in the strategy of promoting nationalist communist regimes that he had helped to develop. At a series of meetings of the Planning

Staff held in mid-January 1950 he continued to defend the rationale behind NSC 58/2. Reiterating to his colleagues the Kremlin's determination to prohibit "heretics," Kennan argued that this would result in the "excommunication" (rather than liquidation) of communists from the Stalinist camp, adding that "your whole ideology falls apart if you permit to exist in the fold heretics who attack it."¹⁰⁷

Kennan was swimming against the tide. Support for the national communist hypothesis was beginning to wane because it was widely accepted that the conditions in Yugoslavia facilitating Tito's independent course did not exist in any other Eastern European country. Therefore any deviation of the Eastern European communist regimes would not be tolerated by Moscow. Charles Bohlen argued that the Kremlin was already cracking down on dissent in the satellites in order to confirm their control. They "don't care how tough they have to be to accomplish that purpose" he declared. With Poland in mind in particular, Bohlen warned Kennan and the Planning Staff that the Soviets "don't intend to pamper the Poles or stand for any nonsense from them, and they want the Poles to know that."¹⁰⁸

On 1 January, 1950 John Paton Davies penned a memorandum which betrayed his own doubts over the American approach to the Cold War. Davies believed that the U.S. strategy was "a failure as it now stands." Davies traced the reason for this back to the NSC 20 series which was "sufficiently vague in outlining the means by which these objectives could be attained or in evaluating the capabilities of the U.S. to successfully pursue such aims." These reports, Davies complained, had failed in their most basic

requirement to clearly define fundamental American aims. For instance they did not clarify whether U.S. objectives were

To contain the Soviet Union or to foment opposition on the part of the peoples of the USSR and the satellites against the Soviet regimes, or to bring about other means, which would not involve challenging the Soviet regime's internal power, or to change the basic concepts and actions held by the Soviet leaders or ruling groups.¹⁰⁹

Davies followed this up with a more detailed paper in early March entitled "Recommended Measures against the U.S.S.R." that focused on exploiting nationalism rather than national communism. This paper followed up the themes of his October 1949 memorandum on the inadequacies of U.S. operations in Eastern Europe. Davies argued that while "the Kremlin has since the early days of the Bolshevik regime sought to subvert our society, we have not until the establishment of the *Voice of America* attempted to breach the [iron] curtain and make known to the Soviet people the meaning of freedom and democracy." For Davies it was self-evident that the United States should immediately undertake its own subversive operations through OPC and other conduits to counter the Soviet threat:

The direction which we should now take would seem to be obvious- the introduction into the U.S.S.R. by meteorological balloons of propaganda designed to (1) deepen the gulf between the Soviet people and the Kremlin, (2) foster passive resistance to the regime and (3) keep alive in the Soviet people appreciation for humane values and hope of their eventual fulfillment in what is now the Soviet Union.

The psychological warfare programme, Davies counseled, must be carefully coordinated by the State Department with the implementing organisations. "If handled badly," he warned, "this operation will do us harm." However if it was "skillfully manipulated, particularly through non-American "fronts," it may prove to be one of the most powerful weapons we can bring to bear in the cold war [...]"

In the October 1949 paper Davies had urged that preparations for armed uprisings in the Soviet bloc should be organised by the United States but strictly for wartime implementation. He went further in the follow-up memorandum in March 1950, arguing that the Soviet regime's "existence could be imperiled not only by war with an external foe but also by successfully organized internal resistance." Although he admitted that there is "no prospect of significant organized resistance inside the U.S.S.R. at this time" he recommended that "one of our prime tasks" should be "to enable the development now outside of the U.S.S.R. of potential leadership for such resistance." Davies believed that such a programme could have meaning "not only in terms of preparation for a possible war" as he had previously suggested. It would also act "as a constant intimation of possible diversion in the Soviet rear tending to distract the Kremlin from focusing its full attention and energies on expansive operations." Furthermore, he urged that "Similar programs should be put into effect" in the Soviet satellites. This was extremely close to a radical endorsement of an American campaign to organise and sponsor revolutionary forces in the Soviet bloc in peacetime.¹¹⁰

In early February 1950 the State Department commenced several fresh studies exploring the broad region-wide objectives of American policy as well as case-by-case studies of the individual countries involved. These reports were not dominated by PPS or by Kennan but were turned over to departmental officers "with particular responsibility for the affairs of individual countries in this area" to make policy recommendations. Several themes including the use of economic and psychological warfare operations were specifically singled out for examination. Moreover, OPC was finally asked by State to

contribute to the development of a specific programme “with respect to the unconventional operations mentioned in NSC 58/2.”¹¹¹

The Department of State completed several position papers on the Soviet bloc in April 1950 in preparation for the conference of the American, British and French Foreign Ministers arranged for 11-13 May. Although these papers did not explicitly reject the national communist policy, they shifted attention to a wider set of tactics. This had the effect of diluting the prominence of the promotion of national communism in the Department’s strategic thinking. The first report was prepared by the Office of Eastern European Affairs and was circulated around the Department on 11 April. Entitled “Policy toward Soviet Satellites in Eastern Europe,” this paper proposed that the “principal purpose” of US policy towards the Soviet bloc “is to weaken the Soviet grip upon them, with the ultimate aim of eliminating preponderant Soviet power there [...]” The current trend of events, according to the Office of Eastern European Affairs, “is moving rapidly towards Moscow’s goal of undiluted communist regimes under absolute Soviet control” Washington should therefore do all it can “in accordance with Western interests” and the “basic principles of American policy” regarding self-determination to ensure “that the trend toward the domination and absorption of the nations of Eastern Europe by the USSR should be slowed and, if possible, reversed.”

There was no new departure in these statements and no long-awaited clarification of specific U.S. aims and methods. But the report did strike a more realistic tone than previous papers propounding national communism as the primary short term tactic. Due

to the “position of virtual impotence to which the West has been reduced in Eastern Europe,” the paper acknowledged that “it is difficult to find positive means of attaining or even pursuing Western objectives.” Several measures were recommended, and although promoting Titoism was included it came a long way down the list of priority measures. Washington should “maintain a strong propaganda offensive against the communist regimes of Eastern Europe, especially through radio broadcasts, in order to maintain the morale of the people and to cause difficulties to Soviet efforts to establish full control.” The withdrawal of Soviet forces from Central and Eastern Europe should continue to be encouraged through propaganda and diplomacy, while the forum of the UN should be used to maximum advantage. The United States, Great Britain and France “should coordinate their attitudes and policies toward the various exiled groups with a view to making the fullest use of them [...]” Eventually it was suggested that the U.S. “make full use of the advantage presented to them by Tito’s quarrel with the Kremlin in encouraging all signs of Titoism in the Soviet satellites.” Implicitly acknowledging a shift away from this policy, the report added that the “majority of the people in those countries oppose all varieties of communism.”¹¹²

A second State Department paper on “Soviet Intentions and Capabilities” was disseminated a week after the report by the Office of Eastern European Affairs. This paper stressed that the “Soviet power system by its very nature is subject to various vulnerabilities.” Although these inherent weaknesses “by themselves will not seriously weaken the USSR,” the report stated that if they were “systematically exploited through external pressures [...] they could produce repercussions which would weaken the Soviet

power position and possibly bring about a change in Soviet policy.” The tone of this document was also guarded. For instance, it was admitted that “Moscow’s insistence on rigid control of the Soviet empire makes the development of an organized opposition difficult.” But according to the paper the Soviet system’s weaknesses could be found within the very nature of its power. The Kremlin’s “insistence on open subservience” of all communists “creates a potential for deviationism in these Parties from Soviet leadership.” This gesture towards the national communist strategy was placed in context with other potential vulnerabilities that could also be exploited. This included disruption of the Soviet system upon Stalin’s death and the subsequent transfer of power, indigenous economic and political grievances among the populations behind the iron curtain stimulated by the Soviet system of internal controls, and gaps between the myth and reality of communist utopia as presented by Soviet propaganda.¹¹³

One month later the second progress reports on NSC 18/4 and NSC 58/2 were filed within the State Department.¹¹⁴ On 26 May, the NSC 58/2 follow-up paper made clear that “progress” towards the achievement of its objectives was extremely problematic. The report pointedly acknowledged that all American efforts towards the end of fostering communist heretics had thus far failed. There was “no fundamental change in the situation of the satellite states or in the character of the Soviet-satellite relationship” since the first progress report was issued in early February. The conditions of Soviet control remained unaffected by US policy, with the continued presence of Soviet occupation forces and the upsurge of “drastic purges” within the Eastern European communist parties. The report depicted a bleak scenario for the prospects of the U.S. interim national

communist strategy, accepting that the “Soviets have been successful in warding off any trend which would start one or more of the satellite countries along the road which Yugoslavia has taken.”

The evident futility in hoping that national communist movements could prosper encouraged emphasis within the progress paper on the longer term development of non-communist nationalistic feeling. “[I]t cannot be determined with accuracy,” according to the report, “whether they have been able to stamp out nationalistic resistance to Soviet domination.” In a pronounced shift from the original paper, nationalism of any type should be encouraged, and particularly non-communist and anti-communist sentiment in the satellite countries. The “basic problem considered in NSC 58/2 remains the same,” that Washington was “attempting to pursue a double objective” to “sustain the hope and morale of the democratic majorities” within the Eastern European populations and take “full advantage of actual and potential cleavages among the Communists and ruling groups in order to weaken the Soviet grip and make it possible for the latter to be drawn out of the orbit of Soviet domination.” The bulk of the paper concentrated on the longer term fostering of democracy through support of indigenous nationalist forces, reflecting the complete failure of the national communist approach to produce results since the adoption of NSC 58/2.

Several methods were recommended in the progress report to undermine Soviet power in its backyard. In particular, the United States must “rely more heavily on propaganda and on other means.” This included greater integration of OPC’s subversive psychological

and political warfare capability. OPC's operations should be better coordinated with the State Department to counteract the "concerted Soviet-Communist campaign" against U.S. missions and officials in Eastern Europe. Propaganda operations to replace the activities of the U.S. missions should support the long term aim to establish free governments, with VOA programming to "be supplemented in the near future by radio broadcasts operated by the refugee national committees in the United States." The psychological warfare campaign "is intended to increase confusion, suspicion and fear among the Communist leaders and parties" in order to subvert Soviet levers of control. As well as targeting the leadership and elites of the Soviet bloc, American propaganda would also attempt "to fortify the anti-Communist resistance of the masses of the population."

There were hints within the second progress report that an even more drastic policy shift had taken place. It was noted that the absence of diplomatic relations with Bulgaria and Albania and "the particularly exposed position of the latter, may make it possible to take a somewhat more active line in pursuit of our objectives in these countries than in the other satellites." This was an innocuous reference to an operation initiated by British intelligence to overthrow the communist regime in Albania under Enver Hoxha.¹¹⁵ The progress report did not attempt to define a strategic framework to encapsulate and integrate this revolutionary campaign with less aggressive American operations elsewhere behind the iron curtain. The Albanian operation was simply tacked on to the existing policy although it was questionable whether its aims were consistent with the nonviolent principles expressed elsewhere in the paper.¹¹⁶

The second progress report on the implementation of NSC 58/2 did not resolve strategic difficulties faced by American policymakers in mid-1950. But it did indicate shifts in attitude towards previous policy. Tito had survived the vituperative Stalinist campaign to dislodge him, thanks in small part to American support. But beyond this questionable “success,” U.S. policy had failed abjectly to alter the political landscape of the Soviet bloc. In fact, none of the short or long-term U.S. objectives delineated in policy papers since November 1948 had been achieved.

The report therefore called for further studies to be made in light of the minimal impact of American policies since the adoption of NSC 58/2 in December 1949. Weeks before the outbreak of the Korean War and the subsequent implementation of NSC 68, the Truman administration was already turning its back on its cautious policy to foster interim national communist regimes. This had been predicated on not provoking the Kremlin. But now the long-term goal to undermine Soviet control of the satellites would be more logically aligned to the promotion of anti-communist and non-communist nationalist movements behind the iron curtain, although this clearly engendered provocative ramifications.

Despite the shift in policy emphasis, Washington had still not overcome the paradox of aspiring to liberate Eastern Europe without resort to arms. Such a methodology was strategically futile while Moscow remained determined that the region would not be

abandoned. The American shift to a potentially more aggressive policy did not translate into a willingness to militarily intervene to support nationalist uprisings behind the iron curtain. Therefore the ultimate objective of establishing Eastern Europe's independence from Moscow remained as illusive as ever on the eve of the outbreak of military conflict in Asia.

Endnotes

- ¹ Dean Acheson, *Present at the Creation: My Years in the State Department* (London: Hamilton, 1970), 257.
- ² Acheson, *Present at the Creation*, 259.
- ³ OPC paramilitary operative Michael Burke quoted in Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), 60.
- ⁴ NSC 10/2, "Office of Special Projects," 18 June, 1948, Warner, *The CIA under Harry Truman*, Document 43, 213-6.
- ⁵ NSC 7 "Position of the United States with Respect to Soviet-Directed World Communism," 30 March, 1948, *FRUS General; The United Nations*, 1948, Volume I, Part 2, 545-50.
- ⁶ For the State Department's response to the Staff paper of 30 March see Policy Planning Staff meeting, 6 April, 1948, RG 59 PPS, Box 32, NARA, Thorp to Marshall, 7 April, 1948, *FRUS*, 1948, I Part 2, 557-60, and Butler to Lovett, 9 April, 1948, RG 59, PPS, Box 33, NARA.
- ⁷ See Forrestal to Marshall, 31 October, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 644-6.
- ⁸ NSC 20 "Appraisal of the Degree and Character of Military Preparedness Required by the World Situation," 10 July, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 589-92. NSC 20 is also available in Truman Papers, PSF, Box 177, HSTL.
- ⁹ Forrestal to Truman, 10 July, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 592-3.
- ¹⁰ Acheson, *Present at the Creation*, 214-5. Also see Paul H. Nitze Oral History, 151-2.
- ¹¹ John Lamberton Harper, *American Visions of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (Cambridge: Cambridge University Press, 1994), 208.
- ¹² Kennan to Marshall and Lovett, 5 August, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 599-60.
- ¹³ PPS/33 "Factors Affecting the Nature of US Defense Arrangements in the Light of Soviet Policies," 23 June, 1948, Nelson, *PPS Papers, 1948*, 281-92. PPS/33 was later circulated by the Council as NSC 20/2 on 25 August. See *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 592 (footnotes) and 615-24.
- ¹⁴ Forrestal to Marshall, 31 October, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 644-6. Although Forrestal eventually submitted a defense budget of \$15 billion to the Bureau of the Budget, he refused to accept its advisability and included his own recommended intermediate budget of \$16.9 billion and the JCS budget of \$23 billion. See Forrestal to Truman, 1 December, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 669-72.
- ¹⁵ Townsend Hoopes and Douglas Brinkley, *Driven Patriot: The Life and Times of James Forrestal* (New York: Alfred A. Knopf, 1992), 406-7.
- ¹⁶ NSC Meeting Minutes, 5 August, 1948, Truman Papers, PSF Box 177, HSTL.

¹⁷ PPS/38 was later circulated as NSC 20/1 on 18 August. See *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 592 (footnotes) and 609-11. NSC 20/1 is available at Truman Papers, PSF, Box 177, HSTL.

¹⁸ George Kennan, "The Sources of Soviet Conduct," *Foreign Affairs* (1947).

¹⁹ George Kennan, "Containment 40 Years Later: Containment Then and Now." *Foreign Affairs*, (Spring 1987).

²⁰ PPS/38 "United States Objectives with Respect to Russia," 18 August, 1948, Nelson, *PPS Papers, 1948*, 372-411. Mitrovich hails PPS/38 as "a seminal moment in the development of American national security policy" that shifted US strategy from a policy solely of containment to one of coercion, recognising the potential to exploit the inherent instability in the Soviet structure of power through "positive assistance" from the U.S. Despite this Mitrovich admits that PPS/38 actually offered no strategy to achieve its objectives and rejected the notion of any specific plan of action. Instead it laid out a conceptual framework to understand the nature of the Soviet threat and vulnerabilities that the US could exploit. See Mitrovich, *Undermining the Kremlin*, 28-30.

²¹ For instance see Counselor Bohlen to Special Assistant to the Secretary of State Marshall S. Carter, 7 November, 1948, and Marshall to Lovett, 8 November, 1948, *FRUS: General; The United Nations*, 1948, Volume I, Part 2, 652-4 and 655.

²² Butler to Kennan, 11 October, 1948, RG 59, PPS, Box 33, NARA.

²³ Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), 74.

²⁴ Joint Orientation Conference meeting, 8 November, 1948, RG 59, PPS, Box 48, NARA.

²⁵ NSC 20/4 has received varying attention from Cold War scholars. Although many historians have paid greater attention to its more glamorous sibling NSC 68, the earlier document has also been hailed as a definitive national security statement that "guided American policy toward the Soviet bloc for the next seven years." See Mitrovich, *Undermining the Kremlin*, 15-6.

²⁶ Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 199.

²⁷ NSC 20/4 "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security," 23 November, 1948, *FRUS General; The United Nations*, 1948, Volume I, Part 2, 662-9.

²⁸ Kennan quoted in Joshua Botts, "'Nothing to Seek and ... Nothing to Defend': George F. Kennan's Core Values and American Foreign Policy, 1938-1993," *Diplomatic History*, Vol. 30, No. 5 (November 2006), 857.

²⁹ George Kennan, "Problems of US Foreign Policy After Moscow," 6 May, 1947, Giles D. Harlow and George C. Maerz (eds.), *Measures Short of War: The George F. Kennan Lectures at the National War College 1946-47* (Washington, DC: National Defense University Press, 1991), 177-206.

³⁰ PPS/37 "Policy Questions Concerning a Possible German Settlement," 12 August, 1948, Nelson, *PPS Papers, 1948*, 325.

³¹ Carolyn Woods Eisenberg, *Drawing the Line: The American Decision to Divide Germany, 1944-1949* (Cambridge: Cambridge University Press, 1996), 492.

³² Anders Stephanson, *Kennan and the Art of Foreign Policy* (London; Cambridge, Mass.: Harvard University Press, 1989), 113.

³³ Robert A. Garson, "American Foreign Policy and the Limits of Power: Eastern Europe, 1946-50," *Journal of Contemporary History*, Vol. 21, No. 3 (July 1986), 351.

³⁴ Whereas Anders Stephanson regards Kennan's proposal under Program A for a unified, democratic and neutral Germany "a major change of outlook," John Lamberton Harper insists that it was consistent with Kennan's other studies of ways of "pursuing classic objectives, the rollback of Soviet power and the conversion of German strength into the anchor of an autonomous Europe, under the conditions of 1948." Stephanson's argument is more convincing, as Program A was a sea change in Kennan's position on Germany and demonstrated his acceptance that without the practical retraction of the Red Army from the region, the prospects for political warfare to gradually liberate the satellite states were negligible. See Stephanson, *Kennan and the Art of Foreign Policy*, 114-5 and 144, John Lamberton Harper, *American Visions of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (Cambridge: Cambridge University Press, 1994), 206-7.

³⁵ Eisenberg, *Drawing the Line*, 423. On Soviet implementation of the blockade see William Stivers, "The Incomplete Blockade: Soviet Zone Supply of West Berlin, 1948-49," *Diplomatic History*, Vol. 21, No.4 (Fall 1997).

³⁶ George F. Kennan, *Memoirs, 1925-1950*, (Boston: Little, Brown, 1967), 422.

³⁷ For more on Kennan's thoughts on this aspect of Program A, see Botts, "'Nothing to Seek and ... Nothing to Defend'," 842, 859.

³⁸ PPS/37 "Policy Questions Concerning a Possible German Settlement," 12 August, 1948, Nelson, *PPS Papers, 1948*, 322-34.

³⁹ PPS 37/1 "Position to be taken by the United States at a CFM Meeting," 15 November, 1948, Nelson, *PPS Papers, 1948*, 335-71.

⁴⁰ John Lamberton Harper argues that a perception that Kennan had excessive influence over the Secretary of State, particularly after Program A and his unpopular views on Germany, resulted in Kennan's demise within the administration in the autumn of 1949. Harper, *American Visions of Europe*, 217-9.

⁴¹ Kennan, *Memoirs*, 446.

⁴² Eisenberg, *Drawing the Line*, 470.

⁴³ See Paul H. Nitze Oral History, HSTL, 206-9.

⁴⁴ Harper, *American Visions of Europe*, 210.

⁴⁵ For more on Program A and the development of alternative courses on Germany see Eisenberg, *Drawing the Line* and Eisenberg, "Rethinking the Division of Germany," Allen Hunter (ed.), *Rethinking the Cold War* (Philadelphia: Temple University Press, 1998), 50-8, John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (Oxford: Clarendon Press, 1997), 118-23, Harper, *American Visions of Europe*, 205-25, Kennan, *Memoirs, 1925-1950*, 419-49, David Mayers, *George F. Kennan and the Dilemmas of US Foreign Policy* (Oxford; New York: Oxford University Press, 1988), 145-8, and Anders Stephanson, *Kennan and the Art of Foreign Policy*, 114-51.

⁴⁶ Botts, "'Nothing to Seek and ... Nothing to Defend'," 859.

⁴⁷ Beatrice Heuser makes the interesting observation that the Tito-Stalin rift was interpreted by Washington as representing Yugoslavia's attempt to break free from Soviet domination. But the Americans failed to recognise Stalin's efforts to rein in Tito's radicalism because the Soviet leader feared that Yugoslavia would provoke the west. Beatrice Heuser, "Covert Action within British and American Concepts of

Containment, 1948-1951," Richard J. Aldrich (ed.), *British Intelligence, Strategy and the Cold War, 1945-1951* (London: Routledge, 1992), 71-2. Regarding Washington's surprise at the split, see Trevor Barnes, "The Secret Cold War: The C.I.A. and American Foreign Policy in Europe, 1946-1956," *The Historical Journal*, Part II, Vol. 25, No. 3 (September 1985), 649-50, Robert M. Blum, "Surprised by Tito: The Anatomy of an Intelligence Failure," *Diplomatic History*, Vol.12, No.1 (Winter 1988), Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 189-90, and Mitrovich, *Undermining the Kremlin*, 37-8.

⁴⁸ See Heuser, "Covert Action," 72.

⁴⁹ The Tito-Stalin split generated a flurry of internal communications within the US Government in the immediate aftermath of its exposure. For example see Reams to Marshall, 18 June, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, (Washington: United States Government Printing Office, 1974), 1073-5, Reams to Marshall, 29 June, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1076, US Military Attachés in Yugoslavia to Marshall, 29 June, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1076-7, Cassady to Hillenkoetter, 30 June, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 295, Reams to Marshall, 30 June, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1077-8, US Ambassador in the Soviet Union Smith to Marshall, 1 July, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1082-3, Undersecretary of the Army Draper to Secretary of the Army Royall, 6 July, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1085-7.

⁵⁰ Hillenkoetter to Truman, 30 June, 1948, RG 218, US JCS, Leahy Files, Box 19, NARA. Also see Hillenkoetter's memo on 29 June which similarly argued that the "Tito-Stalin rift will probably have no significant effect on the other Satellites immediately. The Communist regimes in Eastern Europe and firmly under Moscow control and are dominated by old-line Communists trained in Moscow." Hillenkoetter to Truman, 29 June, 1948, RG 218, US JCS, Leahy Files, Box 19, NARA.

⁵¹ PPS/35 "The Attitude of this Government toward Events in Yugoslavia," 30 June, 1948, Nelson, *PPS Papers, 1948*, 317-21.

⁵² NSC 18 "The Attitude of this Government Toward Events in Yugoslavia," 6 July, 1948, Truman Papers, PSF, Box 177, HSTL.

⁵³ *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1079-81.

⁵⁴ PPS/38 "United States Objectives with Respect to Russia," 18 August, 1948, Nelson, *PPS Papers, 1948*, 372-411.

⁵⁵ For instance Draper and Harriman both suggested in the first weeks after the split came to light that the U.S. make a secret approach to Tito to discuss improving Yugoslav relations with the west- both initiatives were rebuffed by the State Department. American Ambassador in London Lewis Douglas also suggested that the U.S. should send limited shipments of petroleum to the breakaway regime to ease its immediate energy problems. See Draper to Royall, 6 July, 1948, Wisner to Harriman, 22 July, 1948, and Douglas to Marshall, 27 July, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1085-7, 1095-6, 1098-9,

⁵⁶ See for instance Reams to Marshall, 18 June, 1948, Reams to Marshall, 29 June, 1948 and Reams to Marshall, 30 June, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1073-5, 1076, 1077-8.

⁵⁷ Reams to Marshall, 31 August, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1102-5.

⁵⁸ John C. Campbell Oral History, HSTL, 124-5, 131.

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- ⁵⁹ Reams to Marshall, 15 September, 1948, *FRUS: Eastern Europe; The Soviet Union*, 1948, Volume IV, 1106-10.
- ⁶⁰ John C. Campbell Oral History, HSTL, 131-2.
- ⁶¹ *Ibid.*, 133-4.
- ⁶² See PPS/49 "Economic Relations between the United States and Yugoslavia," 10 February, 1949, Anna Kasten Nelson (ed.), *The State Department Policy Planning Staff Papers, Volume III, 1949* (New York; London: Garland, 1983), 14-24.
- ⁶³ Paper prepared for the Under Secretary of State's Meeting, 14 February, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, (Washington: United States Government Printing Office, 1976), 866-8.
- ⁶⁴ NSC 18/2 "Economic Relations between the United States and Yugoslavia," 17 February, 1949, Truman Papers, PSF, Box 177, HSTL.
- ⁶⁵ CIA ORE 16-49 "The Yugoslav Dilemma," 10 February, 1949, Truman Papers, PSF, Box 215, HSTL.
- ⁶⁶ Adams and Davies to Kennan "United States Policy toward Communism," 8 March, 1949, RG 59, PPS, Box 8, NARA.
- ⁶⁷ See the footnote to the Record of the PPS Meeting, 1 March, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 9.
- ⁶⁸ Kennan to Acheson and Webb, 4 April, 1949, RG 59, PPS, Box 33, NARA, Kennan to Acheson and Webb, 14 April, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I (Washington, D.C.: United States Government Printing Office, 1976), 282.
- ⁶⁹ Undersecretary of State's Meeting, 15 April, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 283-4.
- ⁷⁰ Draft Report by the NSC Staff "Measures Required to Achieve U.S. Objectives with Respect to the USSR," 30 March, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 271-7.
- ⁷¹ Participants at one or more of the meetings included Kennan, Joyce, Davies, Butler, Ware Adams, Dorothy Fosdick, James Lampton Berry, Gordon P. Merriam, Edwin C. Wilson and Carleton Savage from PPS; Walworth Barbour (Chief of the Division of Southeast European Affairs); Maynard Barnes (former US representative to Bulgaria); John C. Campbell (Assistant Chief of the Division of Southern European Affairs); James F. Clarke (Chief of the Balkan Section of the Division of Research for Europe); Donald R. Heath (U.S. Minister to Bulgaria); Selden Chapin (U.S. Minister to Hungary); Philip Jessup (Minister at Large); Edwin McCammon Martin (Acting Director of the Office of International Trade); George F. Reinhardt (Chief of the Division of Eastern European Affairs); Rudolph E. Schoenfeld (U.S. Minister to Rumania); Walter Bedell Smith (former U.S. Ambassador to the Soviet Union); Llewelyn E. Thompson (Deputy Director of the Office of European Affairs).
- ⁷² PPS Meeting, 1 March, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 9-10. This document is also available at RG 59, PPS, Box 32, NARA.
- ⁷³ The group met again on 2, 11, 21 March and 1 April, although detailed records have only been found of the final meeting. See footnote 4 to the PPS Meeting, 1 March, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 10. PPS also met on 14 March to discuss the consultants meetings, although Kennan was absent from Washington on official business in Europe. See PPS Meeting, 14 March, 1949, RG 59, PPS, Box 32, NARA.

⁷⁴ For instance, in the field of psychological warfare the American Minister in Bulgaria suggested that the US should concentrate on establishing “free Bulgarian organizations outside of Bulgaria” to try to influence developments within the country. These American-sponsored émigré groups “could lay the foundation for underground organizations” within Bulgaria “which could keep the spark of hope alive.”

Joyce to Savage, 1 April, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 10-13.

⁷⁵ Webb to Kennan, April 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I.

⁷⁶ For instance see Undersecretary of State’s Meeting, 2 May, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 291-2, Memorandum of Conversation by Undersecretary of State Webb, 4 May, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 296-8, Webb to Souers, 24 May, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 313-4, and Kennan to Undersecretary of State for Political Affairs Dean Rusk, 7 September, 1949, *FRUS, National Security Affairs, Foreign Economic Policy*, 1949, Volume I, 381-4.

⁷⁷ Ernest May (ed.), *American Cold War Strategy: Interpreting NSC 68* (Boston: Bedford Books of St. Martin’s Press, 1993), 7-8. Paul Nitze recalls in his memoirs how Kennan initially “did not adjust easily to being separated from the mainstream of foreign policy.” In an anecdote that illuminates Kennan’s highly-strung personality Nitze describes a luncheon meeting with him and Acheson. After discussing several current issues being worked on by the State Department, Kennan said that “When I left the department, it never occurred to me that you two would make foreign policy without having first consulted me.” Paul H. Nitze, *From Hiroshima to Glasnost: At the Center of Decision: A Memoir* (London: Weidenfeld and Nicolson, 1990), 86. Also see H. Freeman Matthews Oral History, HSTL, 29-31, Paul H. Nitze Oral History, HSTL, 210-4.

⁷⁸ John C. Campbell Oral History, HSTL, 156-7.

⁷⁹ John C. Campbell describes how Joyce had a primary interest in Yugoslavia because of his pre-war service in the U.S. Legation in Belgrade and his wartime role in OSS infiltrating anti-Nazi agents into Yugoslavia to assist the resistance led by Tito’s partisans. Joyce therefore took a leading role alongside Davies in the drafting of PPS papers on the Soviet bloc. See John C. Campbell Oral History, HSTL, 138-9.

⁸⁰ PPS/54 “Policy relating to Defection and Defectors from Soviet Power,” Nelson, *PPS Papers, 1949*, 75-81. For an account of the longer-term defection programme see Susan L. Carruthers, “Between Camps: Eastern Bloc “Escapees” and Cold War Borderlands,” *American Quarterly*, Vol. 57, No.3, (2005).

⁸¹ Kennan to Acheson and Webb, 13 July, 1949, RG 59, PPS, Box 9, NARA.

⁸² Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 205, Mitrovich, *Undermining the Kremlin*, 39-40.

⁸³ See the footnote to PPS/59 “U.S. Policy toward the Soviet Satellite States in Eastern Europe,” 25 August, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 21.

⁸⁴ Adams and Davies to Kennan “United States Policy toward Communism,” 8 March, 1949, RG 59, PPS, Box 8, NARA.

⁸⁵ PPS/59 “U.S. Policy toward the Soviet Satellite States in Eastern Europe,” 25 August, 1949, Nelson, *PPS Papers, 1949*, 124-38.

⁸⁶ John C. Campbell Oral History, HSTL, 157.

⁸⁷ PPS/59 “U.S. Policy toward the Soviet Satellite States in Eastern Europe,” 25 August, 1949, Nelson, *PPS Papers, 1949*, 124-38.

⁸⁸ For instance see CIA ORE 16-49 "The Yugoslav Dilemma," 10 February, 1949, Truman Papers, PSF, Box 215, HSTL.

⁸⁹ PPS/59 "U.S. Policy toward the Soviet Satellite States in Eastern Europe," 25 August, 1949, Nelson, *PPS Papers, 1949*, 124-38.

⁹⁰ John C. Campbell Oral History, HSTL, 157-61.

⁹¹ For background information on the London Conference see the Editorial Note in *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 27-8.

⁹² Conclusions and Recommendations of the London Conference of United States Chiefs of Mission to the Satellite States, 24-6 October, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 28-35. Also see Assistant Secretary of State Perkins to Acheson, 7 November, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 36-8.

⁹³ See Department of State Policy Statement "Yugoslavia," 1 September, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 941-4, PPS/60 "Yugoslav-Moscow Controversy as related to U.S. Foreign Policy Objectives," 10 September, 1949, Nelson, *PPS Papers*, 139-49, and Office of Public Affairs Information Memorandum No. 64, "The USSR-Yugoslav Split," 26 October, 1949, Clifford Papers, Box 16, HSTL.

⁹⁴ Mitrovich argues that Bohlen opposed fostering further national communist regimes because the Kremlin would not tolerate these to the same extent that they would not accept democratic or anti-Soviet regimes. But Bohlen only began to express this soon after NSC 58's approval. Mitrovich, *Undermining the Kremlin*, 41.

⁹⁵ See Summary Record of the Meeting of Ambassadors at Paris, 21-2 October, 1949, Perkins to Acheson, 22 October, 1949, and Perkins to Acheson, 7 November, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 972-3, 973-4, 36-8.

⁹⁶ JCS Memorandum to Secretary of Defense Johnson, 16 November, 1949, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV (Washington, D.C.: United States Government Printing Office, 1981), 1339-41.

⁹⁷ NSC 18/4 "United States Policy Toward the Conflict Between the USSR and Yugoslavia," 17 November, 1949, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 1341-8. NSC 18/4 is also available in Truman Papers, PSF, Box 179, HSTL.

⁹⁸ PPS Meeting, 30 November, 1949, RG 59, PPS, Box 32, NARA.

⁹⁹ For instance see Kennan draft memorandum "Foreign Policy," (handwritten title), 22 November, 1949, RG 59, PPS, Box 9, NARA, and Kennan's Address to the Commercial Club of Cincinnati, Ohio, "Russia and the Russians," 21 January, 1950, RG 59, PPS, Box 48, NARA.

¹⁰⁰ CIA Intelligence Memorandum No. 248 "Satellite Relations with the USSR and the West," 7 November, 1949, Truman Papers, NSC, Box 1, HSTL.

¹⁰¹ Davies Memorandum "Political Warfare against the U.S.S.R.," 19 October, 1949, RG 59, PPS, Box 2, NARA.

¹⁰² NSC 58/2 "United States Policy Toward the Soviet Satellite States in Eastern Europe," 8 December, 1949, Truman Papers, PSF, Box 179, HSTL. This copy of the report contains the conclusions that are not included in the version contained in the *FRUS* volume. For this copy see *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 42-54.

¹⁰³ This was not exactly an “attempt to foment communist led anti-Soviet uprisings throughout the region” as Mitrovich argues, but a middle course between this and the “evolutionary approach to the retraction of Soviet power.” See Mitrovich, *Undermining the Kremlin*, 41.

¹⁰⁴ NSC 58/2 “United States Policy Toward the Soviet Satellite States in Eastern Europe,” 8 December, 1949, Truman Papers, PSF, Box 179, HSTL.

¹⁰⁵ PPS Draft Paper “The Position of the United States in World Affairs,” 9 December, 1949, RG 59, PPS, Box 10, NARA.

¹⁰⁶ Webb to Lay “First Progress Report on the Implementation of NSC 58/2,” 2 February, 1950, Truman Papers, PSF, Box 179, HSTL. This report is also available in *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 7-8.

¹⁰⁷ PPS Meeting, 11 January, 1950, RG 59, PPS, Box 32, NARA.

¹⁰⁸ Bohlen quoted from a meeting of the Planning Staff on 18 January, 1950. See Mitrovich, *Undermining the Kremlin*, 40-1.

¹⁰⁹ Davies untitled memorandum, 1 January, 1950, RG 59, PPS, Box 45, NARA. Also see Corke, *US Covert Operations*, 80.

¹¹⁰ Davies memorandum “Recommended Measures against U.S.S.R.,” 4 March, 1950, RG 59, PPS, Box 45, NARA.

¹¹¹ Webb to Lay “First Progress Report on the Implementation of NSC 58/2,” 2 February, 1950, Truman Papers, PSF, Box 179, HSTL.

¹¹² Paper prepared in the Office of Eastern European Affairs, “Policy toward Soviet Satellites in Eastern Europe,” undated (circulated 11 April, 1950), *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 14-7.

¹¹³ State Policy Paper, “Soviet Intentions and Capabilities,” 18 April, 1950, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 1150-3.

¹¹⁴ On 16 May the report on the implementation of economic policies towards Yugoslavia noted that limited economic support to the Tito regime had been established and maintained to help it “resist Soviet pressures.” While the US might also be prepared to consider limited arms shipments to Yugoslavia “in certain contingencies” including a Soviet military invasion, no specific request had as yet been forthcoming from the Yugoslav Government. Webb to Lay “Second Progress Report on the Implementation of NSC 18/4,” 16 May, 1950, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 1418-20.

¹¹⁵ See chapter 5.

¹¹⁶ Webb to Lay “Second Progress Report on the Implementation of NSC 58/2,” 26 May, 1950, *FRUS: Central and Eastern Europe; the Soviet Union*, 1950, Volume IV, 31-3.

**SYSTEMIC DISORDER:
THE DIVERGENCE OF POLICY AND OPERATIONS
BEFORE THE KOREAN WAR**

The approval of NSC 10/2 in June 1948 formally established an extensive U.S. political warfare capability in peacetime. Proponents of political warfare sought greater flexibility to act against the Soviet Union in the context of the early Cold War. The National Security Council therefore sanctioned the newly created Office of Policy Coordination to undertake unconventional activities lying between diplomacy and military intervention from 1948.

Although NSC 10/2 established a broad capability and operational machinery, in mid-1948 U.S. policy goals towards the Soviet Union and Eastern Europe remained undefined. As a result, the strategic basis for the political warfare programme was ambiguous from the outset and OPC lacked clear strategic guidelines to direct its campaign. In Western Europe American policy objectives were clearly delineated, allowing OPC to integrate with and compliment broader U.S. policies. But in the east questions remained over the parameters of an American commitment to counteract Soviet power. General goals towards the Soviet bloc were eventually defined in NSC 20/4 adopted in November 1948. But this paper, along with subsequent reports, failed to move beyond broad aspirations to clarify the strategic role of political warfare in pursuit of

broad U.S. policy aims. Consequently, although NSC 10/2 stimulated operational momentum, OPC's political warfare activities were not tied into a coherent strategic approach towards the Soviet bloc.

External factors and in particular the increasing perception of a hostile and expansionist Soviet threat undoubtedly stimulated the authorisation of a political warfare capability in mid-1948. But the development of the machinery was overshadowed by bureaucratic wrangling over control and responsibility of the new programme. Therefore not only was the strategic basis of political warfare unclear. OPC's position within the bureaucratic framework was also ambiguous. The new organisation was granted considerable autonomy within a nebulous command structure at the outset. This facilitated its rapid initiation of a wide range of operations under extremely loose coordination from the departments and the NSC.

NSC 10/2 vested responsibility for overseeing political warfare in the Director of Central Intelligence. The key aspect of this responsibility was to ensure that OPC was properly accountable and coordinated with the general thrust of mainstream American policy. Although the strategic objectives of OPC's operations were themselves ambiguous, following NSC 10/2's approval the chain of command from OPC to the CIA was undercut by the State Department's Policy Planning Staff. This revisited the convoluted PPS-CIA dispute over the authority for political warfare leading up to the adoption of NSC 10/2. The latest move was intended by PPS to shift the authority for political warfare from the CIA to the departments while leaving the Agency with full

responsibility. This actually resulted in the replacement of NSC 10/2's provisions with loose and ineffective oversight procedures.

OPC's broad mandate combined with its lack of adequate strategic guidance and organisational accountability stimulated a considerable degree of uncoordinated operational momentum towards the Soviet bloc. OPC was able to evolve into a *de facto* policymaker as well as operator once its deference to the CIA's command had been cancelled. Although the Planning Staff intended to utilise the new organisation as an "instrument" of departmental policy, lax supervision enabled it to initiate and implement its own plans under the dynamic leadership of Assistant Director for Policy Coordination (ADPC) Frank Wisner. The ramifications were potentially serious as the new administrative procedures for political warfare were inadequate to ensure that operations were viable and consistent with the wider policies of the U.S. Government.

OPC filled the strategic vacuum at the policy-level by energetically and aggressively pursuing anti-communist activities behind the iron curtain. An action-oriented operational culture soon flourished and went unchecked by Washington. The development of this approach to Soviet bloc policy was potentially disastrous. Not only did the implementation of field operations without a coherent strategic and administrative framework result in the pursuit of flawed and ultimately ill-fated activities. This period was marked by increasing antagonism between Washington and Moscow. The first flash-point of the Cold War, the Soviet blockade of Berlin, indicated the extent of the schism between east and west. Therefore OPC's aggressive semi-autonomous actions against the

Soviet bloc carried grave risks of dangerously escalating tensions even further. In the field OPC went so far as to launch offensive, revolutionary operations. Not only were these activities strategically unsound as “liberation” campaigns. In general they far exceeded the cautious policies laid out by the State Department in Washington. Although OPC’s contribution to the successful attainment of American objectives was negligible prior to the outbreak of the Korean conflict, its actions helped to ratchet up tensions and mutual suspicions between the United States and the Soviet Union.

The Administration of Political Warfare Post-NSC 10/2

Superficially NSC 10/2 resolved the CIA-PPS dispute that had raged for several months over control of an expanded political warfare capability. In reality NSC 10/2’s mediation of their bureaucratic differences was superficial. It masked the Planning Staff’s persistent determination that the departments- State in peacetime and Defense in times of war- rather than the CIA should exert principal control over political warfare.

The Planning Staff, and in particular George Kennan, was set on asserting departmental prerogatives. The Agency’s resistance to the PPS agenda compelled it to compromise during the final drafting stages of NSC 10/2. Thus PPS reluctantly accepted formal Agency authority over OPC for the greater cause of securing congressional funds to establish the organisation and initiate operations. Although this “compromise” diminished the State Department’s nominal control under NSC 10/2’s provisions, PPS anticipated that it might later take advantage of this arrangement to assert the State Department’s authority. Whether Kennan and his colleagues realised this before or after

NSC 10/2's approval remains unclear. Regardless, the objective for Kennan throughout was to secure the State Department's principal authority to direct OPC's implementation of its political warfare programme.

In the months after the adoption of NSC 10/2 PPS moved in rapidly to assert its control over the direction of the new political warfare organisation. This intervention significantly altered the general procedural arrangements for planning and implementation of political warfare projects stipulated in NSC 10/2. Agency authority was swept away and replaced with a loose and informal set of mechanisms by which OPC's operations would be planned and approved by departmental representatives rather than the DCI.

Kennan needed to overcome two inter-related challenges before departmental authority over political warfare could be assured. Firstly, the Agency's administrative control over OPC needed to be definitively removed. This would facilitate PPS's assertion of authority in the resulting vacuum. This task was complicated because Secretary of State Marshall continued to object to the State Department assuming responsibility for political warfare, meaning that this must continue to reside outside the department's jurisdiction. Attempts to remove CIA's authority had already impeded the implementation of PPS's vision for political warfare for several months. Ultimately however, the approval of NSC 10/2 removed CIA's principal bargaining chip in its dispute with the Planning Staff. As a result, overcoming its opposition post-NSC 10/2 proved relatively straightforward. The primary stumbling block in the longer term was in fact the clear assertion of departmental

authority following the removal of Agency control. Although the CIA's control over OPC was cancelled, the State Department was left with the responsibility of filling this vacuum to ensure that OPC receive adequate external guidance and oversight.

On 6 August, 1948, Kennan moved decisively in an effort to achieve both of these key objectives at a pivotal meeting convened in Souers's office. Fortified by a new sense of urgency with the delicate Berlin crisis looming large, Kennan aimed to both remove the DCI's authority over OPC as delineated in NSC 10/2 and to assert departmental control in its place. Several veterans of the earlier 10/2 dispute also attended this watershed meeting at which past arrangements swept away. The new agreement decisively shaped the future development of OPC and the implementation of political warfare operations against the Soviet bloc.

Kennan successfully overcame the first major bureaucratic obstacle with relative ease. Removing the DCI's powers under NSC 10/2 was central to the State Department's ability to direct the political warfare programme. With the support of Sydney Souers Kennan rescinded these authorities in one fell swoop. The arrangement they brokered exclusively suited the departments, with the transfer of control over OPC and political warfare from the Agency to them. Kennan reassured DCI Hillenkoetter that the departments would pay "due deference to the [CIA's] organizational requirements" following the transfer of authority to them. This was a necessary palliative to ensure that the CIA continued to accept administrative responsibility for housing OPC. But it was a

thinly-disguised defeat for Hillenkoetter as the new arrangement vested full control over OPC in the Departments of State and Defense.

Kennan declared that the new organisation must receive its “policy guidance and direction” directly from State and the National Military Establishment. For this to occur, the CIA leadership must grant OPC considerable autonomy from the Agency.¹

Meanwhile State and Defense would establish direct channels into OPC through the appointment of departmental representatives. These officials would feed projects complimenting departmental policy directly into the new office rather than via the DCI. To emphasise that Hillenkoetter must not interfere in this process Kennan argued that the head of OPC “must have the fullest and freest access” to these representatives. He justified the revision of NSC 10/2 by affirming that “political warfare is essentially an instrument of foreign policy” and so “the activity which serves this aim must function to the fullest extent possible as a direct instrumentality” of the departments.

Frank Wisner, who was soon confirmed as director of the new organisation, further whittled down the DCI’s influence. Wisner recommended that he should not have to submit political warfare projects through the CIA’s administrative hierarchy but instead pass them directly to the departmental representatives. Hillenkoetter submitted to this final blow with the modest condition that the DCI would be kept “informed” of all “important” projects and decisions. Hillenkoetter accepted that in peacetime OPC should have direct guidance from the State Department, but in turn it must assume political responsibility for the political warfare operations it would now control. Kennan happily

accepted this, understanding that this was meaningless in practice while OPC continued to find cover within the Agency. He therefore informed Hillenkoetter that he would personally be accountable as the State Department's designated representative to the political warfare office.²

Hillenkoetter meekly accepted Kennan's terms on 6 August. He was no longer prepared to fight to retain the DCI's authority over political warfare in the face of PPS's unrelenting determination to control the programme. Whereas for PPS the dispute was of primary strategic importance to allow it to plan and direct its own programme of measures, in contrast the CIA leadership had originally been reluctant to engage in potentially controversial activities. For the Agency the struggle was based on the administrative necessity of retaining authority over the operations for which it had responsibility.

OPC was now granted considerable autonomy under NSC 10/2's broad operational mandate and the new command arrangements brokered by Kennan and Souers. This did not markedly reduce the Agency's liability for OPC activities. The CIA retained the responsibility of providing administrative cover although Kennan accepted operational responsibility for political warfare. Because Kennan's responsibility was only informal, it was inevitable that the buck would still stop with the Agency rather than the departments. However, should an embarrassing operational connection to the State Department be exposed in the future, Kennan accepted that he would take the fall for it.

Therefore the drawn-out struggle since the drafting of NSC 4-A, the running of SPG and the production of NSC 10/2 came to an end with Hillenkoetter's anti-climactic capitulation. The balance of administrative power swung decisively to the departments on 6 August, 1948, marking PPS's triumph over the CIA in the long-running feud to control political warfare. Although it had not been possible to implement the Planning Staff's optimal arrangement to create a political warfare organisation within the State Department directly controlled by PPS, this was a satisfactory alternative. "A cardinal consideration in the establishment of Wisner's office under NSC 10/2," Kennan reminded Lovett in October 1948, "was that, while this Department can take no responsibility for his operations, we should nevertheless maintain a firm guiding hand."³ Kennan was confident that the CIA's cover for OPC would hold, while links to the Departments of State and Defense would not be exposed. Key to this was the stipulation that OPC's operations must remain covert to conceal Washington's links to them. If the departments could plausibly deny responsibility for OPC activities in public, this would ensure that their accountability for political warfare would remain minimal.

The successful removal of CIA obstruction to departmental control over the semi-autonomous OPC was confirmed in October 1948. Yet this also demonstrated that the Agency no longer considered itself accountable for OPC's actions. That month the CIA's legal counsel Lawrence Houston failed in one final attempt to persuade Hillenkoetter to reverse his surrender and resume the struggle for the administrative powers sanctioned to the DCI by NSC 10/2. On 19 October, soon after OPC was formally established, Houston sent legal advice to Hillenkoetter repudiating Kennan's system of control over OPC

arranged around the 6 August “understanding.” Houston argued that the DCI “must look” to NSC 10/2 as “the official mandate” by which “to ascertain his responsibilities” and not be cajoled by overbearing departmental officials. Houston reminded Hillenkoetter that “this mandate on its face places full administrative and operational control and responsibility on the Director.” Yes, the DCI was required to obtain “policy guidance” regarding political warfare from the departments, but this did not equate to the full transfer of control to them. Houston advised Hillenkoetter that “steps be taken to make a final clarification on responsibility and control for OPC covert operations” once and for all to settle the “divergence in views” primarily between the State Department and the CIA.⁴

Houston’s argument was soundly founded in NSC 10/2’s provisions, but his efforts were nonetheless in vain. Hillenkoetter was no longer willing to contest the bureaucratic arrangements for political warfare having already ceded his authority to the departments. Several factors influenced his attitude. The administrative stakes were not as high as they had previously been for the Agency. Its operational future was no longer under imminent threat as there was no prospect that its secret intelligence function would be removed. Therefore Hillenkoetter had little to gain by engaging in further skirmishes with PPS. Political warfare was not even close to his heart, yet the dispute had become increasingly fractious in the early summer of 1948. In all likelihood he felt greatly relieved to finally throw in the towel.

Hillenkoetter therefore discarded Houston's legal advice. This tacitly confirmed the removal of the DCI's authorities over covert political warfare stipulated by NSC 10/2. His capitulation to PPS also signaled that future opportunities to re-assert the DCI's control would not be exploited under his directorship.⁵ This was reinforced by the undermining of Hillenkoetter's position and credibility within the wider bureaucracy during the final eighteen months of his tenure as DCI.⁶ His demise precluded any attempt or inclination to regain the authority for political warfare previously vested in the DCI.⁷ Consequently, it was not restored for two years until Hillenkoetter's successor, General Walter Bedell Smith, re-established the CIA's control by integrating OPC within the Agency in 1952.⁸

Superficially, Kennan's successful cancellation of the DCI's authority now gave full control to direct OPC's political warfare operations to the departments. To fulfill this they would perform a "liaison" role that encompassed two key responsibilities. Firstly, the departments must ensure that political warfare planning and implementation was strategically linked to broader policies and consonant with its objectives. Secondly, they now took on the responsibility for closer oversight of the day-to-day development of OPC's plans and operations.

Kennan was keen to limit the number of departmental officials in contact with OPC at the outset. In October 1948 he recommended to Lovett that the State Department commit "a small body of personnel- perhaps no more than five men- who have Foreign Service and Departmental experience" for this task. These officials would "be designated to guide

Wisner's operation, both from within this Department and within Wisner's own office.”⁹

Kennan's motives were twofold. This would concentrate the power to direct OPC in the hands of the Planning Staff. Limited access to OPC would also minimise the chance of security breaches and help to maintain a shroud of secrecy over operations.

In practice several weaknesses undermined the informal arrangement ceding control over political warfare to the departments. Foremost of these was that the new procedure relied on too narrow a base to ensure adequate external direction of the new political warfare organisation. This in turn created a vacuum of accountability over OPC. For the departments continued to shirk formal responsibility for OPC despite reducing the authorities vested in the DCI. The revision of NSC 10/2 blurred the chain of command between policy-makers, managers and field operators.

The new set-up essentially placed the authority to oversee political warfare to the State Department's designated liaison officer to OPC.¹⁰ In peacetime Kennan effectively was the sole arbiter for ensuring OPC's coordination and consistency with U.S. policy objectives. This reflected the confidence Kennan held in his own ability to define U.S. policy with an integrated political warfare component as well as to juggle this with his numerous other demanding responsibilities as PPS director.

Notwithstanding Kennan's professional and intellectual credentials to link political warfare to broader policies, it was a precarious arrangement that concentrated excessive responsibility on too narrow a base. Necessary safeguards and oversight mechanisms

were lacking once NSC 10/2's provisions were modified. But the failure of Kennan's seniors in the NSC to react to this reflected that political warfare was an enclave strategy of the Planning Staff. It was not widely understood, accepted or even known about by the majority of government officials. Without proper integration and accountability, there was a potential risk that OPC could pursue operations independently without the necessary mechanisms to safeguard its consistency with overall policies.

Another problem with the new arrangement was exposed almost immediately. Kennan soon felt compelled to relinquish his liaison role to allow him to fulfill his duties directing the Planning Staff.¹¹ This authority was subsequently handed to OSS veteran Robert Joyce, although Kennan retained a close interest in political warfare projects throughout 1949. Far more significant was Kennan's loss of influence within the State Department over the direction of foreign policy during 1949. His fall from favour within the Truman administration coincided with his waning influence over the strategic application of covert political warfare. Over the course of 1949 Kennan attempted to link the strategic and operational strands of political warfare in order to initiate a unified strategy towards Western and Eastern Europe, but this effort alienated him from his colleagues and superiors within the Truman administration. Paradoxically, it was Kennan's closer attention to the strategic employment of political warfare that pushed him further from the foreign policy mainstream.

In particular, Kennan's failed attempts to find wider support for Program A to unify and neutralise Germany impacted on the strategic viability of political warfare. The decision

to pursue German partition and the rearmament of Western Europe isolated Kennan's strategic conceptualisation of political warfare, exacerbating its status as an enclave strategy. Kennan recognised that the long-term division not only of Germany but Europe would undermine his concept of political warfare. Covert operations coordinated with diplomatic and economic initiatives would now be unable to soften Soviet domination over Eastern Europe sufficiently to facilitate the retraction of its power by peaceful means.

With the recession of Kennan's influence within the Truman administration the link between PPS and OPC was based more on operational guidance rather than strategic direction. This was reinforced because Kennan's replacement as PPS liaison officer to OPC, Robert Joyce, was much less interested than Kennan in connecting OPC's activities in Eastern Europe to a grand strategy. His expertise and passion lay in the development of operations themselves, making him "more CIA than the CIA" according to a Wisner aide, Gilbert Greenway.¹² Joyce was a veteran activist and personal friend of Wisner's, having served in the Balkans with OSS during the war.¹³ He was "a doer, not an ivory tower thinker" in the words of OPC's chief of special operations Frank Lindsay.¹⁴ Given his wartime experience Joyce, like Wisner, had witnessed the blunt end of Russian occupation policies in Eastern Europe towards the end of the war. His wartime service therefore made him professionally and personally more predisposed to the implementation of operations than to the methodical deliberation over strategies. As a result of this professional instinct and inclination, Joyce exercised minimal restraint over OPC's operations.¹⁵

Kennan's gradual recession did not therefore result in the collapse of the August 1948 arrangement and a return to NSC 10/2's provisions. Had this occurred then Wisner and OPC would have been brought directly back under the authority of DCI Hillenkoetter, whose cautious leadership style and reticence to launch controversial operations would have acted as a restraining factor upon the political warfare organisation in its nascent stages. Instead the Departmental channels to OPC were maintained, but the informal liaison between State, Defense and OPC was now predominantly concentrated on specific operational details rather than on broader strategic issues. This tenuous oversight mechanism facilitated the divergence of the strategic and operational dimensions of political warfare during 1949 as OPC enjoyed an increasing degree of autonomy to plan and implement its own projects.

Joyce's Planning Staff colleague John Paton Davies attempted to stimulate a reconsideration of political warfare during 1949 and 1950. But Davies failed to address the core strategic problems undermining U.S. political warfare against the Soviet bloc. He lamented the failure to organise and successfully implement U.S. operations. But while Davies acknowledged that American actions had thus far not produced the desired results, he did not identify the inherent strategic flaws undermining these efforts. Instead of launching a reassessment of present policies to identify strategic weaknesses in the current approach, his frustration at the present lack of progress in Eastern Europe led Davies to call for an intensification of operations. His criticisms therefore fed into the hands of Joyce and Wisner, reinforcing their emphasis on operations rather than

assessments of the viability of the present course. When Wisner's patrons promulgated more operations, they were preaching to the converted.

The mixture of personalities and administrative roles encouraged a symbiotic relationship between PPS and OPC. Wisner's agency conducted the operations proposed by the Planning Staff without excessive interference from them into its other activities. This deviated from the original concept formulated in NSC 10/2 envisaging that the departments would direct the political warfare organisation through the Operations Advisory Committee. Although the body had been stricken from NSC 10/2, Kennan had reasserted the notion of departmental oversight with the liaison arrangements. Departmental direction shifted to cooperation during 1949.

An important factor behind OPC's rapid expansion was the leadership it enjoyed under Frank Wisner. Kennan was not personally acquainted with Wisner before his appointment, although they soon forged social links at the Georgetown "Sunday Night Suppers."¹⁶ Kennan was moderately impressed with Wisner's credentials when recommending him to head the new political warfare office.¹⁷ "I personally have no knowledge of his ability," Kennan informed Lovett, assuring his boss that "his qualifications seem seasonably good, and I should think that it would be relatively easy to spare him for this purpose." The advice Kennan received regarding Wisner's ability to head OPC was justified as he was, by all accounts a brilliant, energetic and dynamic man. His wartime experience serving in OSS in Eastern Europe also stood him in good stead for the OPC posting.¹⁸

But before Wisner's selection to head OPC, Kennan assumed that he would be able to control Wisner and his organisation. In fact Kennan underestimated the personal drive and anti-communist conviction of the man placed at the helm of OPC. Wisner was ambitious and ideologically driven to anti-communism following his direct contact with "the greatest moral outrage of his life, the Soviet takeover of Romania." Wisner's obsessive anxieties about Russia were fully developed before the end of World War II, feelings described as "excessive" by his OSS colleague stationed at Wiesbaden in Germany in 1945, Arthur Schlesinger Jr.¹⁹ Kennan's endorsement of Wisner's appointment "on the recommendations of people who know him" therefore left considerable potential for Kennan to be surprised in the future.²⁰

Nonetheless, Wisner's dynamism and his anti-communist beliefs do not explain why operations diverged from policies to such a great extent from 1949 onwards. Wisner accepted that the departments would provide OPC with "policy guidance" in the summer and autumn of 1948. Under his command OPC was not a "maverick" organisation. It did not abuse the power and mandate granted to it by the NSC. Instead it maximised the potential and autonomy it was afforded within the bureaucracy, readily taking on operational opportunities that came its way in order to sustain its expansion.

A salient factor in OPC's sustained growth, therefore, was that there was no simultaneous strategic review of its activities. The responsibility for evaluating its actions rested primarily with the departments in their liaison role, and ultimately with the NSC. Assessments of the strategic advisability of ongoing operations were clearly desirable and

prudent. Had adequate oversight procedures been established between the policy-makers and operators then such assessment would have been an ongoing routine. But no sufficient mechanisms existed to ensure OPC's accountability.

In contrast, Wisner was presented with a broad operational mandate and capability to take on Soviet and communist influence, backed up by aspirational policy statements calling for the retraction of Soviet power in Europe. A man with Wisner's attributes needed no further encouragement to act independently and assertively, and he interpreted NSC 10/2 as a "broad license" to launch energetically into operations.²¹ At the same time, the new organisation naturally attempted to expand its base of operations in order to carve a niche for itself in Washington to justify ever-increasing budget allocations.

The Activation of OPC

OPC was officially activated on 1 September, 1948.²² Wisner spent the remaining four months of 1948 organising the new agency and preparing a list of programmes and activities. This was done in coordination with representatives of the Army, Navy, Air Force, JCS and State Department at a series of meetings of an Advisory Council.

Hillenkoetter's surrender to the departments meant that the Agency was not represented at these meetings at which the preliminary planning for political warfare operations took place. But in accordance with the August 6 "understanding," in late October Wisner transmitted a general outline of the preliminary planning for the clandestine programme to Hillenkoetter to ensure that he remained "informed."²³

Wisner was obliged to remain on favorable terms with the Agency because it held the OPC purse strings, even if it did not exert policy control over its activities. It was an awkward arrangement whereby Hillenkoetter was cut entirely out of the planning loop even while his organisation provided the cover and budget for OPC's activities. To placate the DCI, Wisner assured Hillenkoetter that he would review more specific plans and programmes with him as soon as they had been finalised. This review would not take place before the plans had first been submitted for *approval* to the departments.

During the preparatory phase, steps were taken by the State Department to ensure that the new organisation would be tied into the wider U.S. strategy in Western Europe. PPS began feeding "policy guidance" to OPC at the end of August.²⁴ In late September Kennan drafted a letter, forwarded to Undersecretary Lovett for his approval before transmittal to Secretary of Defense Forrestal, in which the State Department requested the full cooperation of the U.S. military authorities in Germany with the activities of the new organisation. OPC's ability to operate in Germany was of singular importance to the political warfare effort envisaged by PPS. It was the primary site of Soviet refugees and political deserters scattered amongst the teeming Displaced Persons (DP) camps. It was also geographically located on the edge of the iron curtain.

Kennan's request to the military for support was based on the functional concern that "Wisner is going to encounter, as one of his first major obstacles, the problem of cooperation with the Army in Germany." Kennan hoped Lovett's formal request would provide OPC with a "boost" in its initial dealings with the military services.²⁵ The effect

of this approach was positive on the strategic, as well as the functional level. It established an early precedent of contact to foster a good working relationship between the departments and OPC regarding its activities in Germany. Nurturing a spirit of common purpose was essential to the coordination of military, diplomatic and political warfare policies across Western Europe.

Forrestal replied positively, declaring his “wholehearted agreement” with the views expressed in Lovett’s letter and the desirability to obtain the full cooperation of the military services in Germany in support of OPC’s activities there. To achieve the necessary coordination, the Secretary of Defense had already allowed Wisner to hold discussions with officials from the Department of the Army who were said to entirely concur with the activities and authorities he proposed. The details of this meeting were also transmitted to General Clay in Germany to ensure his inclusion in the initial phases of OPC planning.²⁶

OPC also liaised with ECA, again ensuring that its activities complemented the administration of ERP aid to the participating Western European countries. One historian goes so far as to say that Wisner exploited his previous State Department position to affix OPC as a “virtual appendage to the Marshall Plan organization.” By doing this he could commandeer its resources for “men, foreign currency, and official cover to OPC in its covert campaign to compete with the Russians at every ‘unofficial’ level of European life.”²⁷ Striving towards such ends, on 16 November, 1948, Wisner met with ECA Administrator Paul Hoffman and European Ambassador Averell Harriman.²⁸ Wisner’s

motivation for this meeting was, like the German arrangements, primarily functional rather than strategic. He hoped to secure invaluable access to ERP counterpart funds for OPC's operations in Western Europe. One condition of the original Marshall Plan deal was that the beneficiary nations had to contribute an equal amount of all ERP allocations it received from the United States in local currency, 95 percent of which would be used for Marshall Plan programmes. The other 5 percent would be reserved by the U.S. government, in practice amounting to a pot containing roughly \$200million per year that had no designated purpose.²⁹

Having secured agreement with Hoffman and Harriman, Wisner approached the acting ECA administrator Richard Bissell who was initially "somewhat baffled by the request" to have access to the counterpart funds because he was at that time "very uninformed about covert activities." Nonetheless Wisner reassured Bissell of the legitimate need for the money and it was duly authorised.³⁰ The counterpart funds were a particularly useful source to finance OPC's support of non-communist labour movements in Italy and France, at least in the beginning before more permanent and lucrative sources of funding had been secured. The secret distribution of funds by SPG to pro-western interests served as the template that OPC immediately adopted and in time expanded upon.

This liaison also had beneficial strategic consequences by tying OPC into ECA's pre-existing strategic framework. Bissell himself recognised the advantages of close collaboration, stating in his memoirs that "had we known more we would have regarded OPC's activities as increasing the chances of success."³¹ The establishment of a healthy,

mutually-beneficial working relationship between the two agencies allowed senior administration officials outside the small political warfare policy loop access to its projects and thereby influence the actual operations it planned to undertake within ECA's jurisdiction. This enhanced a fairly well-coordinated application of US policies in Western Europe by a diverse group of implementing agencies, ensuring that OPC did not tread on too many toes.

OPC's experience in the east was a total contrast. There was no parallel process of liaison between OPC officials and American representatives or organisations dealing with Eastern Europe and the Soviet Union. This did not constitute an inherent failure of liaison. During its preparatory phase OPC was not assimilated into an operational or organisational framework for the Soviet bloc as it was in Western Europe because there was no pre-existing structure or strategic approach within which to integrate. The Departments of State and Defense, ECA, and the White House all participated in the development of Western European policy formulation. But the void in strategic planning for Eastern Europe was compounded by an inadequate organisational-operational structure in the field. This was further exacerbated by the declarations of *persona non grata* to American representatives during the purges of 1949 and the undermining of the U.S. missions in the region by the communist authorities.³² Nonetheless, the organisational and strategic vacuum provided an opportunity for OPC to develop its own operational utility within the Truman administration by carving out a unique role to challenge Soviet power within the communist bloc through its political warfare operations.

Washington resented the ignominy of having its ministers and representatives in Eastern Europe publicly implicated during the purges and show trials in Hungary and Bulgaria. But the need for action was made all the more pertinent by the palpable sense of emergency gripping the Truman administration as communist regimes tightened their control over Eastern Europe. Nothing fueled the American perception that action was necessary more than the fall of the Beneš Government in Czechoslovakia in February 1948, followed by the death in mysterious circumstances of former Foreign Minister (and non-communist) Jan Masaryk two weeks later. The communisation of Eastern Europe, in itself, did not directly threaten U.S. national security. But the perception was that this indicated the Kremlin's intrinsic expansionist intentions, casting a shadow over Western Europe.

Sanctioning a Broad Operational Mandate

In early 1949 Wisner was authorised to proceed under a broad operational mandate by the Truman administration. OPC was given the green light despite the Washington's failure to formulate a coherent strategic framework linking Western and Eastern Europe and the lack of effective machinery to guide and regulate OPC activities. These factors enabled OPC to gradually exert *de facto* influence on American policy against the Soviet bloc.

On 6 January, 1949, the State Department formally and unconditionally approved the first list of projects drafted by OPC. This proposal was developed during Advisory Council meetings between OPC and the Departments of State and Defense during the winter of 1948. In its final form as presented to the Departments in early 1949, the list of projects

referred back to both the Planning Staff's "inauguration of political warfare" paper and to NSC 10/2. This meant that while OPC proposed both the selective collection of operations envisaged several months earlier by PPS, it also drew upon a far broader range of activities sanctioned under NSC 10/2 to incorporate military needs. The more expansive operations were generally directed towards wartime planning. This indicated the real possibility that this boundary could be crossed in peacetime should such operations move from pure planning to implementation before the outbreak of war.

The proposal divided political warfare development within OPC into five functional groups. Under the rubric of psychological warfare, media, radio and other "miscellaneous" activities were considered including "direct mail, poison pen, rumors etc." These measures were effectively a throwback to NSC 4-A and an extension of the activities already initiated by SPG a year before. The continuity between them was strengthened with the new organisation inheriting the leftovers from SPG, including a modest amount of unspent funds and a small selection of propaganda and covert financing projects.

Political warfare was defined as supporting underground resistance movements, employing displaced persons and refugees, encouraging defections from the Soviet bloc and aiding anti-communists in "Free" countries. These missions were also in line with the earlier PPS memorandum and NSC 10/2. But unlike the envisaged psychological warfare measures, these actions urgently required strategic clarification prior to their employment. Where psychological warfare was merely a method to obstruct, harass, and

discredit Soviet-led communism, these political warfare measures went much further in aspiring to break up or significantly undermine communist regimes. OPC's proposed political warfare activities therefore also complimented the general goals endorsed in NSC 20/4. But crucially, OPC did not also receive from the State Department (or anywhere else) more specific strategic guidance that had failed to be provided by NSC 20/4 to structure the implementation of operations and ensure their advisability and feasibility.

The third functional group was to be responsible for economic warfare comprising commodity and fiscal operations. This harked back to NSC 10/2 more than to the Planning Staff proposal. PPS was initially vague on the employment of economic warfare, illustrating that the strengths and interests of Kennan, Davies and others lay primarily in political measures. By early 1949 PPS began to consider the uses of economic warfare to counter communist power, particularly in light of Tito's situation, but this was only after OPC had been authorised to proceed with economic warfare operations. While the Planning Staff conveyed grand aspirations about harnessing "Titoism" to break up Moscow's centrifugal domination of its satellites, at the same time it quietly admitted that economic measures offered the best practical opportunity to make an impact.³³

In conjunction with the political warfare division, the fourth functional group could potentially drive OPC into peacetime operations of a far more offensive character than the Planning Staff had earlier intended. Under a preventative direct action section,

planning and training would begin for the wartime measures requested by the military services. Generated by widespread fears in military circles that war with Soviet Union was imminent, this included support of guerillas, sabotage, counter-sabotage, demolition and evacuation programmes. The military also called for OPC to start establishing “stay-behind networks” in Western Europe in peacetime. These small well-trained groups should only become active in the event of a Soviet military invasion of Western Europe, both as sources of intelligence and as points of resistance behind enemy lines. The final functional group was to undertake various miscellaneous responsibilities including the preparation of front organisations and war plans as well as to house OPC’s administrative staff.³⁴

The available documentation suggests that Kennan was primarily responsible for evaluating and approving the OPC proposal. On 6 January, 1949, he signed off on the OPC projects on behalf of the State Department, and it is unclear whether he received the prior support of the Secretary and Undersecretary of State. Presumably the proposals were also sent to the Pentagon for endorsement, although the key approval in peacetime was from State. In all likelihood it was the military’s liaison officer to OPC Joseph McNarney who gave the initial proposals the backing of the Department of Defense. There is no evidence to suggest that the OPC proposal went higher up the chain of command, to either the Secretaries of State and Defense or to the White House. At the time that OPC was finalising its first wave of projects Marshall was winding down in his capacity as Secretary of State, while Forrestal was cutting an increasingly erratic and marginal figure at the Pentagon.

All this contributed to the lack of an authoritative external overseer to assess the OPC proposals. Kennan did not recognise the potential pitfall that such an unconditional endorsement might come to exceed the operational mandate envisaged by the Planning Staff. Kennan relied on the arrangement of an extremely selective and narrow base from which OPC would be given strategic guidance, as organised since August 1948. By controlling the strategic orders passed down to Wisner he hoped to shape the direction of OPC's activities.

There were significant problems with this arrangement. As has been noted already, there were significant flaws concerning the strategic aspects of U.S. policy towards Eastern Europe. While it was logical that OPC would integrate into existing U.S. policies in Western Europe it was far from clear how this proposed set of generic covert operations would be translated in practice in Soviet bloc countries. Moreover, as Kennan's role faded there was an increasing reticence within the Planning Staff to confront strategic issues and deliver such guidance to OPC.

Exacerbating this problem, the operational guidance and liaison channels into OPC were founded on a much wider base than the procedures established for strategic direction. This meant that while the flow of strategic guidance was restricted and increasingly minimal, there was a simultaneous burgeoning of operational advice from a more extensive and diverse group of officials in the military as well as the Planning Staff. The inaugural list of operations went beyond the Planning Staff's earlier political warfare proposal because it reflected the military influence imparted by NSC 10/2. So for

instance the inclusion of wartime “preventative direct action” projects in the report did not raise any eyebrows in PPS because military representatives had been in close consultation with OPC alongside the State Department in preparation of the final proposal.

Instead of promoting the selective consideration of operations on the merit of their strategic viability, Kennan inadvertently served to strengthen the case for launching more activities. Kennan’s only qualification to Wisner at the operational outset of OPC was that “this presentation contains the minimum of what is required from the foreign policy stand-point in the way of covert operations during the coming year.” Kennan had in mind the functional groups responsible for psychological and political warfare, rather than the sections receiving military liaison responsible for wartime planning. He told Wisner that there “may be one or two instances in which we will have to ask you to add to the list of functions set forth in this representation.” This was by no means a call for a blanket expansion of OPC projects, including the use of revolutionary guerrilla tactics behind the iron curtain in peacetime. Rather it indicated that the Planning Staff was still coming to grips with the ways in which OPC might be utilised in peacetime, that the political warfare project was a work in progress. Kennan hoped to keep the State Department’s options open, believing that in all likelihood PPS would develop supplementary initiatives over the next few months that would augment the political warfare programmes it had already asked OPC to initiate.

This attitude also demonstrates that the departmental liaison officers were from the very beginning willing to give OPC considerable autonomy in planning operations, even while Kennan was still at the apex of responsibility. Kennan's judgment that OPC would be called to undertake more projects in the near future encouraged the tendency towards an expansive approach to political warfare and indicated that policy was still being drawn up in an *ad hoc* fashion within the State Department. The implication that Wisner's initial list of projects was insufficient tacitly encouraged further OPC planning beyond its initial set of proposals. All this tended to place greater emphasis on action rather than on a selective strategic approach. As a result the strategic dilemmas over how to tackle Eastern Europe were eclipsed by the operational impetus to get projects underway. Indeed such action appeared to be urgent. "As the international situation develops," Kennan informed Wisner, "every day makes more evident the importance of the role which will have to be played by covert operations if our national interests are to be adequately protected."³⁵ This message carried clear risks because Wisner required little motivation from Kennan to take more action from. Although this was of itself not a problem, the resulting glut of operations would simultaneously need to be externally scrutinised by the departments for their strategic value. There was no meaningful structure, will, or strategic basis that existed to ensure this. These factors therefore contributed to the independent activist culture that immediately flourished within OPC.

OPC's Autonomy and the Futility of Policy Guidance

The lack of formal oversight procedures and the inability of anyone to take up the strategic mantle after Kennan's decline opened up the space for operations to diverge

from policy. A vacuum resulted in which no one was able to oversee or direct the entire political warfare programme. While the operational vacuum was filled by Wisner and the OPC leadership, without the strict application of strategic guidelines the linkage of OPC-initiated operations to policy objectives was tenuous. In Western Europe the divergence of operations and policy was not so pronounced because OPC was compelled to integrate with U.S. Government agencies already implementing official policies in the field. But in the Soviet bloc, where the United States exerted minimal influence, coordination between policy-makers and field operatives broke down and this ultimately fostered the non-strategic employment of operations. The frailties of NSC 10/2 and the August 1948 “understanding” ensured that Washington’s approach would be random and disorganised. This undermined Washington’s attempts to fulfill the aspirations that it had subscribed to in NSC 20/4 to retract Soviet power from Eastern Europe and muddled the strategic objectives that OPC was purportedly intended to pursue.

The strategic flaws undermining U.S. policies towards the Soviet bloc were compounded by OPC’s swift increase in stature. The symbiotic relationship that rapidly developed between OPC and the departments was part of the problem. OPC was created to carry out the wishes of the departments but it quickly evolved into an equal partner. PPS took an active interest in its own projects that it passed on to OPC for implementation. It also wanted to be kept informed of any major OPC initiatives developed in the political warfare field. But the State Department backed away from actively overseeing OPC’s military-initiated plans or activities.

The overburdened departmental representatives did not see it as their role to supervise OPC. They wanted to be kept informed of any major political warfare programmes and to supply Wisner with projects of their own for OPC to implement. As a consequence, the weekly meetings with Wisner deteriorated into meaningless affairs. According to one observer the liaison often “degenerated into a sort of stereotyped chore for all concerned.”³⁶ Here, OPC operations were not closely evaluated and assessed by the liaison officials, with restrictions placed on them where necessary. To the contrary the departmental representatives tended to be extremely sympathetic to any projects suggested by Wisner and his team, rarely denying him permission to proceed on large projects that he brought to their attention.

Even when Nitze replaced Kennan as head of PPS, the departmental meetings with OPC continued to be “a kind of validating board that met in Wisner’s office” according to one eyewitness.³⁷ This meant that minimal overall supervision was applied, while the guidance OPC received was so vague that it left “maximum opportunity for project development” in the hands of OPC and not the departments.³⁸ The transmission of “guidance” to OPC was haphazard at best and this fostered a culture of independence whereby OPC could initiate its own projects without the exercise of any external scrutiny or control.³⁹

The liaison arrangement excluded other divisions within the departments from having contact with OPC. Bureaucratic compartmentalisation was a real problem that could fragment the position of each department on any given policy. This undercut any unified

departmental approach to the question of dealing with the Soviet bloc. An example of this institutional segregation was embodied in PPS's exclusive access to OPC. Other sections within the State Department, including the geographic desks and foreign embassies, were cut out of the political warfare planning loop. Knowledge of NSC 10/2's approval was limited to only a handful of members of the department in an attempt to maintain tight security over OPC activities.⁴⁰ But the "need to know" approach led to a splintering of policies between different sections of the same department.

There were important consequences of this strict compartmentalisation of political warfare within the bureaucracy. Strategic planning towards Eastern Europe and the Soviet Union incorporating political warfare could not be unified on a pan-departmental basis. Offices within the departments with a primary interest in Soviet bloc policy, such as the regional desks in the State Department, were effectively excluded from OPC's affairs. These groups were unable to participate in either the planning or the oversight of political warfare to guarantee OPC's accountability, despite its direct relevance to their work. This meant that while the geographic desks could promote policies towards the Soviet bloc independently of PPS, there were no mechanisms to ensure that they corresponded with political warfare projects initiated either by the Planning Staff or by OPC itself. As a result there was ample opportunity for major conflicts of interest.

The vacuum of independent oversight committee and formal procedures to coordinate and regulate OPC beyond the weekly consultations, gave OPC generous latitude to develop into a "quasi-independent entity."⁴¹ This autonomy, originally encouraged to

separate OPC from superfluous ties to the CIA, fostered an operational culture of expansion rather than regulation. OPC's autonomous bureaucratic position was quickly consolidated by Wisner. Key to this was making OPC practically self-sufficient as this ensured that it was not beholden to the departments. Wisner rapidly expanded the original skeletal staff, drawing upon his wartime contacts within OSS and tapping into "the P source" of Ivy Leaguers and Wall Street lawyers to attract the brightest and most dynamic young Americans into his organisation.⁴² This allowed the fledgling agency to establish its own political warfare expertise independent of the CIA, the military or PPS. OPC also secured its own facilities and equipment where possible, making it less reliant on external operational assistance. This immediately set it apart from rival departmental intelligence agencies that invariably depended on their parent organisations for logistical support. As OPC became better equipped its practical need to collaborate with the departments when it came to conducting operations was exponentially reduced.

A culture quickly developed within OPC, spurred on by Wisner's infectious and dynamic leadership, fostering an institutional loyalty to OPC itself and not to either the CIA or the departments.⁴³ William Colby recollects how Wisner cultivated "the atmosphere of an order of Knights Templar, to save Western freedom from Communist darkness" in the early years of the Cold War.⁴⁴ Western European operations were coordinated with the various departments and agencies active on the ground. But increasing emphasis was placed on operations against the Soviet bloc, for which OPC tended to look to the Department of Defense for operational support rather than strategic guidance, for instance with cooperation in using military equipment to facilitate its secret missions.

At the same time the State Department's strategic control over OPC was diminishing. While OPC was not meant to be a policy-making body, its initiation of operations effectively meant that it was a *de facto* shaper of policy. Charles Whitehurst, an OPC operative on the Far Eastern desk, recalled how "Wisner would tell us to keep our mouths shut because we weren't supposed to make policy." Much more important than formal chains of command and official policy statements were the social links. Whitehurst recalls that policy was often made "at a dinner party" rather than at the conference table.⁴⁵ Wisner also looked beyond the State Department, tapping into an extremely influential professional and social network of New York and Washington lawyers, academics and government figures to garner support for OPC's activities. The weekly OPC-Department meetings proved totally inadequate as a means of managing and coordinating the ever-increasing raft of programs initiated not only by the departments but by OPC itself. One OPC official recalled how under a tangible sense of community Wisner and his staff "arrogated themselves total power, with no inhibiting precedent. They could do what they wanted, just as long as the "higher authority," as we called the president, did not expressly forbid it."⁴⁶

OPC's semi-independence from the Departments depended on its ability to freely expend secret funds. It quickly secured several sources of spending power, including access to the lucrative ERP counterpart funds. OPC's budget was appropriated to the Departments of Defense and State but was formally housed within the CIA as an administrative arrangement to hide it from public disclosure. In practice, after the August 1948

“understanding” had been reached, Hillenkoetter did not attempt to influence the way in which the OPC budget was spent.

The Central Intelligence Agency Act of 1949, signed into law on 20 June, confirmed OPC’s budgetary independence from the government bureaucracy.⁴⁷ Section 10 (b) granted unrivalled freedom to the DCI, and by extension to the ADPC, to spend Congressional appropriations without regard for normal governmental oversight procedures:

The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.⁴⁸

Many CIA veterans recall the earliest days of the Agency as “halcyon” because of the benign relationship it enjoyed with Congress in that period. While the Agency reported to four congressional committees, the Armed Services and Appropriations Committees in the House and the Senate, in practice this only involved contact with a handful of congressmen. Their attitude tended to be one of non-interference and therefore securing the budgets it requested was never a problem for the Agency at this time. In 1995 Richard Helms recounted how the House Appropriations Committee Chairman Clarence Cannon would take hearings on the Agency’s budget proposal with two or three other Representatives present:

[Cannon] would end the session by pointing out very carefully to the Director that he should not go around talking to a lot of Congressmen because they leaked all the time, that he would take of the budget and not to worry about it, and that secrecy was all important in this kind of activity.

According to Helms the “same situation existed in the Senate.”⁴⁹ Once the CIA Act was passed, the DCI was imbued with full authority to expend these funds. According to another CIA veteran, Deputy CIA General Counsel John Warner, it was “a blank check to the Director of Central Intelligence to spend it any way he sees fit.”⁵⁰

Wisner did not have direct control over OPC’s budget. Theoretically this presented an alternative indirect means of regulating OPC’s activities. CIA legal counsel Larry Houston demonstrated in October 1948 that there was still the will in the Agency to contest the usurpation of its control of OPC by the departments.⁵¹ But Hillenkoetter was content to leave OPC to the departments and never attempted to contest the August 1948 “understanding” by flexing CIA’s budgetary muscle. As Walter Pforzheimer later recounted, “if he [Hillenkoetter] interfered, there would have been a call from the State Department.”⁵² OPC therefore enjoyed almost unlimited spending power, as Greenway recalled: “We couldn’t spend it all. I remember once meeting with Wisner and the comptroller. My God, I said, how can we spend that? There were no limits and nobody had to account for it. It was amazing.”⁵³

OPC’s internal bureaucracy was also not conducive to the strategic development of operations. Within OPC, just as within the departments, the institution evolved into fragmented compartments. OPC headquarters based in Washington, D.C. was responsible for initiating projects and making certain that they were closely coordinated and consistent with the official policy line handed down from the departments. OPC headquarters was organised into four functional staffs dealing with political,

psychological, paramilitary and economic warfare programmes respectively. Six geographic divisions were also established and the divisions were meant to receive administrative support from the functional staffs. But as soon as the system was organised it generated a great deal of friction between the functional staffs, the geographic divisions and the field stations who became “competitors” rather than “joint participants” in a coordinated effort.⁵⁴ According to an internal study conducted in November 1950 “the present organization makes for duplication of effort and an extensive amount of unnecessary coordination and competition rather than cooperation and teamwork [...]” OPC’s leadership was unable from the beginning to effectively manage and coordinate the preparation of operations within its own headquarters. The signs were extremely inauspicious for the prospects of coordinating departmental policy with OPC’s field operations.⁵⁵

The coordination of policy and operations faced an additional institutional hurdle. While OPC’s Washington headquarters was responsible for initiating and planning projects, it was the function of the various field stations to implement them through OPC field task forces. OPC rapidly expanded, prior to the outbreak of the Korean War, and this expansion saw a growth in the number of field stations being operated to 47 by June 1950.⁵⁶ This rapid expansion soon overtook the precarious management style and system overseen by Wisner and his senior staff. This undercut their ability, in the words of one intelligence historian, to “keep up with the amoeba like dividing and proliferation of subelements which occurred.”⁵⁷ As they grew in number and size the field stations increasingly asserted their own initiative in planning operations rather than maintaining

the formal procedure of receiving and implementing projects from Washington, according to the Church Committee historian Anna Karalekas:

Predictably, field personnel began to develop their own perspective on suitable operations and their mode of conduct [...] Gradually, as the numbers of overseas personnel grew and the number of stations increased, the stations assumed the initiative in project development.⁵⁸

This breakdown within OPC over the formal control of project development created another displacement of departmental policy from OPC's field operations. This further impaired the overall centralised coordination and strategic employment of political warfare operations that were divorced from Washington's policy-making circles.

The frenzied environment that belied OPC was not entirely inadvertent. Actually, a dynamic if disorganised culture within OPC was nurtured by its senior staff. Wisner was naturally action-oriented in such sharp contrast to the cautious Hillenkoetter. His crusading zeal and visceral anti-communist convictions filtered throughout his organisation from the Washington headquarters to the field stations. Despite Kennan's previous declaration of State Department authority to direct political warfare operations, attitudes within OPC rendered departmental opinion increasingly irrelevant during the course of 1949. Instead of viewing operations as supportive of general departmental policy, a more assertive, project-oriented approach developed whereby the operation rather than the policy it was supporting became the end for OPC officials.⁵⁹ Action rather than caution was encouraged by the incentive of rewards tending to derive from the preparation of projects and their implantation as operations. Commendation and promotion were far more likely to result when an operator threw caution to the wind and

proceeded with an operation.⁶⁰ As a result projects tended to expand exponentially, as William Corson eloquently observes:

[...] each of the various streams of covert activities- psychological warfare, political warfare, economic warfare, and preventative direct action- had a way of broadening out, and a single “project,” not really thought through in terms of risks, ends, purposes, and consequences, became the precedent and justification for a trickle of similar ones. From them a torrent emerged, engulfing intelligence operators [....]⁶¹

In the first years of OPC’s existence the perception was that there was little to lose in pursuing operations and much to gain. Its vibrant staff of youthful cold warriors enthusiastically planned and implemented operations against the Soviet bloc for personal, professional and ideological reasons. This fostered a disorganised scatter-gun approach to operations rather than a tightly-knit programme retaining a firm grip on uniform methods and objectives.

The Launch of Operations by OPC

Due to the secretive nature of the activities OPC engaged in, it remains problematic to this day to conduct a comprehensive review of the political warfare operations conducted against the Soviet bloc from late 1948 onwards. On the one hand, these missions were extremely sensitive and conducted amid high security. Frustratingly, sixty years on a considerable amount of information regarding the development of political warfare plans contained in U.S. archives remains classified. Furthermore, there are substantial gaps in the evidence available on the OPC operations themselves quite simply because such details were never recorded in written form. Unlike policy papers and strategic decisions which are of course subject to processing and development within government

bureaucracies, accounting for the practical undertaking of missions is almost totally reliant on the more haphazard source of eye-witness testimonies.⁶²

Despite these shortcomings, there is sufficient evidence to provide an adequate historical record of OPC's missions against the Soviet bloc in the early Cold War, although it is hoped that more evidence becomes available to allow a fuller picture.⁶³ From 1949 the U.S. launched operations against Romania, Hungary, Bulgaria, Czechoslovakia, Soviet Moldavia and the Baltic states of Lithuania, Latvia and Estonia.⁶⁴ More is known about OPC operations undertaken against Albania, Yugoslavia, Poland and the Ukraine in the early Cold War, and a brief description of these particular actions will follow.

All these secret missions varied widely in terms of both their tactics and their objectives.⁶⁵ Some were conducted as strictly intelligence and reconnaissance missions, to gather vital information on Soviet military levels and capabilities. Other operations were conducted in coordination with the Pentagon's strategic war planning. OPC inserted small teams of agents to establish sleeper cells and stay-behind networks behind enemy lines. These could be activated in the event of war breaking out between the United States and the Soviet Union, deemed an important role as many believed that such a conflict was imminent.⁶⁶ OPC was therefore required by the military to set up evacuation routes for downed U.S. pilots and resistance leaders, to provide intelligence on enemy troop strengths and movements, and to conduct harassment and sabotage operations against specific enemy targets and retard the enemy advance.⁶⁷ Certain projects and operations also went well beyond these limited aims. Washington explicitly sanctioned at least one

campaign to topple a ruling communist regime behind the iron curtain, despite the provocative nature of such efforts and the inevitable dim view by which these actions would be taken in Moscow.

Albania: Operation Valuable

The most notorious operation in this ilk is the joint Secret Intelligence Service (SIS)-OPC campaign to overthrow Enver Hoxha's communist government in Albania.⁶⁸ This country was identified as the "first target" of an offensive liberation programme in November 1948 by the British Russia Committee.⁶⁹ Albania was deemed appropriate because it was geographically isolated from the rest of the Soviet bloc following Tito's split with Stalin in mid-1948. Western officials felt it might be susceptible to a political warfare campaign as it was a relatively small and weak member of the communist bloc. Despite its relative strategic insignificance, there were also positive strategic reasons for overthrowing the communist regime in Albania and separating it from Moscow. For example, the Hoxha regime continued to support the long-running Greek communist insurgency. Furthermore, intelligence reports indicated that the Soviets were planning to build a submarine base at Velona Bay, allowing them direct access to the vital sea lanes in the Mediterranean.⁷⁰

The British SIS planned to train and then infiltrate teams of Albanian agents inside the country to stir up a partisan resistance movement, with the ultimate aim being to topple Hoxha's communist regime. But a lack of resources available to the British quickly forced its hand to turn to Washington to come in on the Albanian venture. The British

delegation led by SIS's William Hayter that met with State Department and OPC officials in Washington was warmly received, with Wisner and Joyce enthusiastically endorsing the project. Wisner identified the Albanian operation, codenamed Valuable by the British and BGFIEND by the Americans, as "a clinical experiment to see whether larger roll-back operations would be feasible elsewhere" within the Soviet bloc without provoking a war with Moscow.⁷¹

A Special Policy Committee (SPC) was promptly set up in Washington to exercise broad operational control over Operation Valuable. SPC consisted of representatives of the various interested parties- Robert Joyce from the State Department, Frank Lindsay from OPC, Earl Jellicoe of the British Embassy and Kim Philby, the Soviet mole who was the SIS representative in Washington. The organisation and character of the Albanian operation was therefore distinct from other offensive activities conducted by OPC. It was conducted with the unequivocal blessing of senior administrative officials in Washington (as well as London). Secretary of State Acheson gave the green light following a meeting with his British counterpart Ernest Bevin in September 1949.⁷² As a result of this high-level endorsement, Operation Valuable had an integrated chain of command, forming a "bridge between the State Department and intelligence operations." This set-up was a considerable departure from the more disorderly exercise of authority over OPC's various other offensive campaigns.⁷³

Tighter operational planning and control was certainly beneficial. So too was the fact that the Anglo-American team identified specific aims and methods towards Albania. As a

result they could organise the requisite capabilities to meet their operational goals. Instead of wavering between “liberation” and “evolution,” the endgame was unambiguously to overthrow Hoxha. From 1949 teams of Albanian “pixies” were trained in paramilitary techniques in Malta by the British and in West Germany by the Americans. These agents were to be infiltrated by sea, over land and by air to rally an indigenous resistance movement that, once sufficiently powerful, would move against the ruling communist authorities.

Nevertheless, the project threw up numerous problems at the policy and operational levels. Firstly, Acheson’s endorsement of Operation Valuable actually contradicted the official policies of the State Department. Here was an explicit endorsement of “liberation” at the operational level even though policymakers continued to refuse to commit to such a strategy within official policies, instead propounding the alternative approach of Titoism through various NSC directives. When given a clear and seemingly viable proposition to liberate a communist country, Acheson demonstrated that the administration would in fact endorse such a policy at the highest level.

Acheson’s impulsive decision overrode the State Department’s non-committal stance on its support for revolution and flew in the face of the opinion of his advisers.⁷⁴ On the day before the Secretary of State met with Bevin to confirm American support for Operation Valuable, his Assistant Secretary of State for European Affairs George Perkins sent Acheson a memorandum warning him to be careful not to commit to “any premature opening up of this question” that the British might encourage. According to Perkins the

ramifications of an Albanian offensive “are by no means clear” and could easily upset the delicate regional situation.⁷⁵ Of most concern was the impact it might have on Tito’s retention of power in Yugoslavia by providing a Soviet pretext for military intervention there. Potentially it could also reignite the Greek civil war that was dying down by 1949.⁷⁶ Moreover, the Albanian project supplanted the internal debates within the State Department over whether to accept recent moves from the Hoxha regime towards improving relations between the two countries.⁷⁷

Despite some positive features of the American approach to the planning of the Albanian operations, the campaign that began in earnest in October 1949 ended in abject failure. It proved impossible for the west to incite an effective resistance movement against Hoxha primarily because the campaign was based upon a misguided strategic premise. As Harry Rositzke observes, even a “weak regime” like Cold War Albania could not be detached from the Soviet orbit “by covert paramilitary actions alone.”⁷⁸ Michael Dravis corroborates this conclusion, arguing that wartime unconventional operations proved useful against Nazi Germany as “natural corollaries to a larger military strategy.” On the other hand the “Anglo-American plan for Albania was flawed because covert paramilitary operations are rarely a viable substitute for conventional military action.”⁷⁹

Indeed, two contemporary CIA reports produced in September and December 1949 had warned of this very early into the campaign. According to the pessimistic judgment of Agency analysts, there was little chance of successfully fomenting indigenous resistance movements capable of toppling Hoxha.⁸⁰ This totally contrasted with the feeling

prevalent in OPC at the time that “we had only to shake the trees and the ripe plums would fall.”⁸¹ The CIA’s more realistic assessment was borne out by events as, despite Albania’s relative weakness and the proportionately large Anglo-American mobilisation of anti-communist forces against Hoxha, the Anglo-American insertions were utterly ineffective against the ruthless Albanian security forces. The western-trained guerrillas were completely undermined both by Kim Philby’s treachery, and more importantly by the porous Albanian émigré communities that were extremely susceptible to Soviet intelligence penetration.⁸² From his OSO vantage point, Richard Helms recognised “some of these operations OPC was taking on as being overly ambitious, too big to be really secure” and therefore “natural targets for penetration.”⁸³ Many Albanian agents were ambushed by Hoxha’s secret police, the Sigurimi, and captured or killed as soon as they entered Albanian territory. The luckiest escaped by fleeing overland to Greece.

Although Wisner initially brandished Operation Valuable a test case for the viability of liberation, operations were allowed to drag on despite the record of dismal failure until Tirana’s public exposure of the campaign in 1954. The failure of the Americans to cut their losses sooner has astounded historians ever since. For instance Robin Winks observes that “Seldom has an intelligence operation proceeded so resolutely from one disaster to another.”⁸⁴ Nicholas Bethell describes the “bizarre decision” taken by the United States to persist even once the British pulled out in the early 1950s and morale amongst the Albanian émigré communities had plummeted.⁸⁵

The inability to overthrow the Hoxha regime also papered over the cracks of the inadequacies of longer-term politico-strategic planning. The thorny question of who should replace Hoxha in the event of his overthrow proved extremely difficult to resolve given the divergent views of the Americans and the British and the divisive relationships between the various exile Albanian communities.⁸⁶ A covert, but nonetheless problematic link was made between the field operations and an Albanian political face. An Albanian National Committee under the leadership of Mithat Frashëri was established under the auspices of NCFE. This was intended to provide the basis of an Albanian government-in-exile while the covert political warfare operations were undertaken to oust Hoxha's regime. Unfortunately for the Anglo-Americans, the deep rifts between the Albanian exile communities undermined any chance of there ever being a united political front to compliment the covert paramilitary programme being undertaken. Operations were therefore implemented before a satisfactory post-revolution political plan had even been reached.

A Misplaced Action against Yugoslavia

Ever since Tito's expulsion from the Cominform in mid-1948 the State Department had attempted to mould a policy both specific to Yugoslavia and with broader connotations for the region to exploit divisions within the communist bloc. The resultant policy of fostering "Titoism" under the NSC 18 series and later directives was predicated on supporting the "heretic" Yugoslav leader and protecting his regime from encroachments by the Soviet Union and its satellites. Yet Beatrice Heuser has observed that Yugoslavia may in fact have been OPC's first target following the adoption of NSC 10/2 to detach a

communist nation from the Soviet bloc.⁸⁷ Wisner's office began to infiltrate right-wing Monarchist exiles into Yugoslavia with a view to overthrowing Tito's regime. In an incredibly divisive move that could only be regarded as an affront to the Yugoslav leader, the majority of those inserted were Serbian Chetniks who had fought a bitter civil war with Tito's Partisans during the war against Nazi Germany. Inconceivably, these exiles were dressed conspicuously in U.S. Air Force uniforms and were immediately recognised and arrested by the security police.⁸⁸

It is quite remarkable that a covert OPC campaign was launched to undermine the Yugoslav regime in 1948-9. This utterly contradicted Washington's official position on that country and more damagingly, it fundamentally undercut the basis for the entire regional policy of encouraging further deviationist leaders to emerge within the communist camp. Any exposure of western perfidy against Tito could only compel greater loyalty and cohesion within the Soviet sphere and discourage national communist dissidents from seeking closer ties with Washington or London. Furthermore, the Yugoslav operation directly conflicted with the parallel overt and covert policies being implemented by the State Department, particularly the outward shows of diplomatic support and clandestine shipment of arms and economic aid to the beleaguered regime. It is an episode that demonstrates just how wide operations were able to diverge from policies within the context of the strategic vacuum and OPC's autonomy.

Reaction in Washington and London following the exposure of the misguided operation was fittingly incredulous. In the Foreign Office Charles Bateman described "this idiotic

American behaviour” as “inconceivably stupid,” a feeling that Foreign Secretary Bevin sympathised with and passed on to the State Department.⁸⁹ U.S. Ambassador to Yugoslavia Cavendish Cannon first learned of the OPC operation *ex post facto*. He too was horrified that OPC could engage in such an amateurish and counter-productive activity. In a furious cable back to Washington he reminded his superiors that the agreed policy was to seek the proliferation of the Titoist example as it was the “sole apparent agency for undermining Soviet influence in East Europe.” According to Cannon the notion that Tito’s downfall would result in a more representative and Western-oriented regime constituted a “highly wishful approach to east European political realities.” There was, according to him, a total lack of leadership and organisation amongst anti-communists and non-communist groups who could possibly supplant the current regime. In contrast, the Cominform “is ready to exploit by force any weakening in Tito’s security apparatus. We are not ready and not likely to be.” Similarly to Operation Valuable, little thought had been given to the complex issue of the post-revolution political situation. Cannon was emphatic, calling for an end, once and for all, to any naïve notions that the U.S. could undermine Tito and simultaneously plant democratic roots. “In Yugoslavia there are not three choices but two” he declared starkly: “Tito or a Moscow tool.”⁹⁰

Poland: Support of WIN

OPC launched another project in the late 1940s that went well beyond the purportedly limited policies of the State Department. Wisner and his colleagues in OPC aimed instead at encouraging and equipping an anti-communist resistance movement to topple the ruling communist government in Poland.⁹¹ According to Harry Rositzke, the attempt to

mobilise the Polish Freedom and Independence Movement (with the Polish acronym WIN) by the western intelligence services was the “most substantial and disastrous paramilitary effort inside the Soviet orbit.”⁹² Yet at the time the signs were auspicious of potential success. The Polish campaign appeared to be better conceived than the Albanian project because extensive underground anti-Soviet resistance movements had existed in Poland and across the Baltic states and the Ukraine since the war. But as Richard Aldrich points out, the timing of the operation was not propitious, as by late 1948 when SIS and OPC attempted to engage with WIN it was already severely depleted and thoroughly penetrated by Soviet intelligence.⁹³

As with Operation Valuable, the Polish project originated with the British SIS, but by early 1949 Wisner was a keen proponent. With strong support from Colonel Robert McDowell at the JCS, OPC took over financing of the operation and the United States endeavoured to equip and organise an indigenous resistance network over the next three years. Unfortunately for the Americans the majority of WIN protagonists had been turned by the Polish communist security police, the UB, under the guidance of the Soviet Ministry of State Security, the MGB. This included the prominent WIN leader Joseph Sienko who had managed to “escape” from Poland in 1947 and headed for London. Sienko duped the British, and in turn the Americans, by convincing the remnants of the Polish government in exile based in London that an extensive resistance movement remained in place in Poland with as many as 20,000 committed members.

In 1951 doubts were raised by Frank Lindsay and John Bross over the credibility of WIN when it requested that OPC parachute in high-ranking U.S. military officers to orchestrate the resistance movement's training programme. Bross recollected that the idea of "an American general, hanging from a parachute, descending into a Communist country, gave us some pause for thought."⁹⁴ Nonetheless, these concerns over the security of WIN did not prompt a significant reassessment. The operation continued to supply agents, arms and materiel into the waiting hands of the UB until it was exposed by the official Polish communist media in December 1952, much to the chagrin of Wisner and his colleagues at OPC.

The Ukraine: Operation ZRELOPE

OPC also perceived favourable prospects for the anti-Soviet resistance movement in the Ukraine in the early Cold War.⁹⁵ Between 1945 and 1950 over 30,000 Soviet military and Communist Party officials were assassinated by Ukrainian nationalist guerrillas in Stephan Bandera's extreme right-wing Organisation of Ukrainian Nationalists (OUN) and its militia the Ukrainian Insurgent Army (UPA). One key reason behind its effectiveness was that the Ukrainian guerrilla force generally managed to resist the penetration of the Soviet security services.⁹⁶

Spurred on by these successes in the field, OPC began to recruit Ukrainian exiles scattered throughout the Displaced Persons camps across Europe. The DP camps were a valuable source of recruitment for OPC not only in operations against the Ukraine but towards the entire eastern bloc. Wisner had understood the significance of the teeming

DP camps ever since he had first had contact with them soon after his appointment as Charles Saltzman's Deputy Assistant Secretary for Occupied Areas within the State Department in 1947. He and Lindsay later recruited men like William Sloan Coffin, Michael Burke and Carmel Offie into OPC and these officials scoured the DP camps for young exiled anti-communists of all nationalities.⁹⁷ One OPC veteran, Harry Rositzke, recalls how "hundreds of courageous men [...] preferred to fight the Russians or the communists rather than linger in DP camps or emigrate to Brazil. Scores of agents paid with their lives for our concern."⁹⁸ Another, William Sloane Coffin recalled that "It was all tragic, all lost. But it was war. You buried your buddies and kept fighting."⁹⁹ Many of the émigrés recruited by OPC were then organised into national committees under NCFE where they could be systematically trained and deployed for various political warfare roles against the eastern bloc. Unfortunately for the American recruiters, the DP camps were also fertile grounds for the Soviet secret services, and many of those who swelled OPC's ranks had already been turned into double agents against the west.

Young male émigrés of various political backgrounds, including many with chequered wartime collaborationist records with the Nazis, were trained to undertake intelligence-gathering missions and to join up with the resistance movement in the Carpathian Mountains under a programme codenamed Operation ZRELOPE.¹⁰⁰ The British were fairly fatalistic about the prospects of OUN ever being any more than a "nuisance" to the Soviets.¹⁰¹ But OPC saw other uses for the Ukrainian resistance movement, particularly as tensions with Russia escalated following the Berlin crisis and the outbreak of the Korean War. As the perception of imminent war with Moscow increased, the Pentagon in

particular placed high importance on developing “an early warning system, to tip us off if there were indications of mobilization in the area.”¹⁰² Faced by what it believed was a pending Soviet invasion of Western Europe, the military was therefore prepared to be fairly cynical in its use of the Ukrainian resistance movement. According to one former Agency official, it was clear to OPC planners by 1950 that “the resistance potential in the Ukraine as a behind-the-lines counter to a Soviet military action against Western Europe [...] could play no serious paramilitary role.”¹⁰³

OPC therefore continued to insert agents and airdrop medical supplies, cash and radio transmitting equipment into the Ukraine from the late 1940s onwards.¹⁰⁴ These efforts were once again futile. As one veteran of the OPC campaign in the region, Tom Polgar, sardonically recounted, the “only thing” proved by these activities was “the law of gravity.” By 1953 the strategic infeasibility of resistance movements being able to defeat the Red Army was borne out. As with all the other attempts by OPC to mobilise a guerrilla underground against communist regimes, the operation eventually ended in failure when the Ukrainian nationalists were worn down by the Soviet security police. The only positive to come out of this, according to another veteran of the campaign David Murphy, was that “on the other hand, we learned how not to do it.”¹⁰⁵

The tragic irony of the early political warfare campaign waged by the United States and its allies against the communist states of the Soviet bloc is that Washington most likely

contributed to the downfall of the groups inside Eastern Europe that it hoped to support by the very nature of its limited commitment to them. The U.S. resort to political warfare against the eastern bloc was on the one hand too limited and small-scale to achieve results. There was never a concomitant military commitment to achieve liberation. On the other hand, these activities were sufficiently conspicuous and threatening to arouse the concerted interest of the Soviet and local communist secret police services. This produced a “powerful blowback effect” according to Jeffrey Burds.¹⁰⁶ In the Ukraine and throughout the region western subversive activities stimulated an extensive restructuring of the Soviet secret police system and increasing reliance on repressive measures to counteract the rise of nationalism or anti-communism. The limited American political warfare campaign proved to be no match against such a formidable adversary.

Endnotes

¹ The organisation was still designated OSP at this time, but for ease it is referred to here as OPC.

² Memorandum of Conversation and Understanding, 6 August, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 298. Also see Corke, "George Kennan and the Inauguration of Political Warfare," 112-3, Grose, *Operation Rollback*, 110, Karalekas, *History of the Central Intelligence Agency*, 42, Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 108-9, Mitrovich, *Undermining the Kremlin*, 19-20, Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950-February 1953* (University Park: Pennsylvania State University Press, 1992), 78, and Rudgers, "The Origins of Covert Action.," 255.

³ Kennan to Lovett, 29 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 305.

⁴ Houston to Hillenkoetter, "Responsibility and Control for OPC," 19 October, 1948, Warner, *The CIA under Harry Truman*, Document 46, 235-9.

⁵ Several opportunities did arise, foremost of which was the recommendation in NSC 50 that OSO and OPC should be integrated into an "Operations Division" under the DCI. This would have effectively restored the authorities vested in the DCI under NSC 10/2. It was ironic, given that NSC 50 fundamentally undermined Hillenkoetter, that one of its principal recommendations indirectly promoted the reestablishment of the DCI's operational authority over OPC. See Montague, *General Walter Bedell Smith as Director of Central Intelligence*, 47, 111, DCI Hillenkoetter letter to Secretary of State Acheson, 19 August, 1949, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 394, Deputy Special Assistant Howe to Armstrong, 8 September, 1949, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 398.

⁶ Hillenkoetter's demise began when the ISG final report released on 1 January, 1949, blamed inadequate leadership and direction of CIA principally on the DCI. From the moment that ISG submitted its report it was widely understood within the administration that Hillenkoetter was to be replaced and whispers of his shortcomings became increasingly frequent. Lovett was particularly damning in his opinion of Hillenkoetter as "a very ineffective and pedestrian officer," while he considered the CIA operation "lousy" up to this point. See Report from the Intelligence Survey Group to the NSC, "The Central Intelligence Organization and National Organization for Intelligence," 1 January, 1949, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 358, Montague, *General Walter Bedell Smith as Director of Central Intelligence*, 48, Director of the Executive Secretariat Humelsine to Undersecretary of State Webb, 8 March, 1949, Blum Letter to Correa, 18 December, 1948, Blum to Dulles, 19 January, 1949, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Documents 373, 357 and 359.

⁷ From the summer of 1949 following heavy criticism in NSC 50, Hillenkoetter was largely apathetic to Wisner's organisation, and for that matter the Agency itself. He became "psychologically withdrawn" and "unwilling to exercise initiative and leadership" according to Montague. Symptomatic of this, his attitude towards the Intelligence Advisory Committee became "passive" and "sarcastic," resulting in its functional demise. See Montague, *General Walter Bedell Smith as Director of Central Intelligence*, 47-8, 78.

⁸ On DCI Walter Bedell Smith's efforts to assert the CIA's control over political warfare, see Montague, *General Walter Bedell Smith as Director of Central Intelligence*, 77-105, 202-15.

⁹ Kennan to Lovett, 29 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 305. Kennan explained to Lovett in this memo that he was having difficulty recruiting State personnel for the OPC assignment. Because of the highly classified nature of NSC 10/2 most officials were not aware of its existence and the importance attached to it by certain senior government figures.

¹⁰ This responsibility would switch to the Pentagon should war break out. Its representative Colonel Ivan D. Yeaton (succeeded by Joseph McNarney and then John Magruder) would maintain a link to OPC in peacetime and attend weekly meetings with Kennan and Wisner. NSC Meeting, 19 August, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 299.

¹¹ Kennan also relinquished his position as the State Department's representative on the NSC Staff in December 1948, being replaced in this role by George Butler. Kennan to Souers, 2 December, 1948, RG 59, PPS, Box 11, NARA. Moreover, PPS as a body felt the strain of its new responsibilities, expanding from seven to ten members in September 1948 in part to accommodate its political warfare role. Carlton Savage explained that "[a]dditional responsibilities brought about through the involvement of the Planning Staff with highly secret activities of CIA" partly accounted for the need for this expansion. Savage to Byrnes, 9 September, 1948, RG 59, PPS, Box 33, NARA.

¹² Thomas, *The Very Best Men*, 40.

¹³ Burton Hersh, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), 225.

¹⁴ Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 208.

¹⁵ Thomas, *The Very Best Men*, 30.

¹⁶ Thomas, *The Very Best Men*, 27-8.

¹⁷ Miscamble and Thomas both assert that Kennan knew Wisner well through the Washington social networks of government officials but they had not in fact met at this point. Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 109, Thomas, *The Very Best Men*, 29.

¹⁸ For accounts of Wisner's personality and attributes see Colby, *Honorable Men*, 73, Corke, "George Kennan and the Inauguration of Political Warfare," 113-4, Burton Hersh, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), 177-200, 227-8, Karalekas, *History of the Central Intelligence Agency*, 46-8, Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 109, and Rudgers, "The Origins of Covert Action," 256. For an account of his exploits in wartime Romania see Eduard Mark, "The OSS in Romania, 1944-45: An Intelligence Operation of the Early Cold War," *Intelligence and National Security*, Vol. 9, No. 1 (January 1994).

¹⁹ Thomas, *The Very Best Men*, 19-23, Hersh, *The Old Boys*, 159.

²⁰ Kennan to Lovett, 30 June, 1948, RG 59, PPS, Box 11A, NARA.

²¹ Thomas, *The Very Best Men*, 30.

²² CIA General Order No. 10, 27 August, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 300.

²³ Wisner to Hillenkoetter, "OPC Projects," 29 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 306. This document is also available in Warner, *The CIA under Harry Truman*, Document 47, 241-2.

²⁴ See Kennan to Lovett, 31 August, 1948, RG 59, PPS, Box 33, NARA. Kennan informed the Undersecretary that the form submitted to Wisner by him in his capacity as the Department's representative to OPC was "in writing but not on letterhead paper." Apparently this was with the "plausible denial" caveat in mind: "This means that I am ostensibly acting in a personal capacity, and can, if necessary, be denied by the Secretary." Just how convincing such denials would be should a form handwritten by a senior State Department figure like Kennan be exposed, was left undiscussed.

²⁵ Lovett letter to Forrestal, 1 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 301.

²⁶ Forrestal letter to Lovett, 13 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 304.

²⁷ Richard Harris Smith quoted in Hersh, *The Old Boys*, 219.

²⁸ Memorandum for the File, 16 November, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 307. The *FRUS* document speculates on the identity of the men with whom Wisner met at this meeting, that it was any two from Harriman, Hoffman and Bruce. Peter Grose states that it was in fact Harriman and Hoffman who attended. See Grose, *Operation Rollback*, 117.

²⁹ Richard M. Bissell with Jonathan E. Lewis and Frances T. Pudlo, *Reflections of a Cold Warrior: From Yalta to the Bay of Pigs* (New Haven: Yale University Press, 1996), 68.

³⁰ Bissell, *Reflections of a Cold Warrior*, 68.

³¹ Bissell, *Reflections of a Cold Warrior*, 68-9.

³² John C. Campbell Oral History, HSTL, 196-7.

³³ See PPS/59 "U.S. Policy toward the Soviet Satellite States in Eastern Europe," 25 August, 1949, Nelson, *PPS Papers, 1949*, 124-38.

³⁴ Wisner to Hillenkoetter, 29 October, 1948, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 306.

³⁵ Kennan to Wisner, 6 January, 1949, *FRUS, Emergence of the Intelligence Establishment, 1945-1950*, Document 308. This document is also available in RG 59, PPS, Box 33, NARA.

³⁶ Quoted in Corke, "George Kennan and the Inauguration of Political Warfare," 113.

³⁷ Richard Stilwell, who oversaw OPC's Asian Division after the outbreak of the Korean War, quoted in Hersh, *The Old Boys*, 271-2.

³⁸ Karalekas, *History of the Central Intelligence Agency*, 46-7.

³⁹ Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 112, Foreign and Military Intelligence, Book I, Final Report, 1, 107.

⁴⁰ "List of Department of State and Foreign Service Personnel Having Knowledge of Political Warfare Operations," RG 59, PPS, Box 11A, NARA.

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- ⁴¹ Michael Warner, "The CIA's Office of Policy Coordination: From NSC 10/2 to NSC 68," *Intelligence and Counter-Intelligence* 11, No. 2 (Summer 1998), 213.
- ⁴² Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington: Acropolis Books, 1977), 103, Corson, *The Armies of Ignorance*, 308-9, Thomas, *The Very Best Men*, 15-6, 40.
- ⁴³ Corke, "George Kennan and the Inauguration of Political Warfare," 113-4, Hersh, *The Old Boys*, 271, Leonard Mosley, *Dulles: A Biography of Eleanor, Allen, and John Foster Dulles and their Family Network* (London: Hodder and Stoughton, 1978), 244-5.
- ⁴⁴ William Colby, *Honourable Men: My Life in the CIA* (London: Hutchinson, 1978), 73.
- ⁴⁵ Thomas, *The Very Best Men*, 39-40.
- ⁴⁶ *Ibid.*, 11.
- ⁴⁷ For accounts of the debates and passage of the Central Intelligence Act of 1949, see Barrett, *The CIA and Congress*, 30-48, Karalekas, *History of the Central Intelligence Agency*, 50-2, and Rudgers, *Creating the Secret State*, 164-6.
- ⁴⁸ Central Intelligence Agency Act of 1949, 20 June, 1949, Warner, *The CIA under Harry Truman*, Document 53, 287-94.
- ⁴⁹ Richard Helms quoted in Center for the Study of Intelligence, *The Origin and Development of the CIA in the Administration of Harry S. Truman* (Washington, D.C.: Center for the Study of Intelligence, 1995), 50. For more on CIA's relationship with Congress see David M. Barrett, *The CIA and Congress: The Untold Story from Truman to Kennedy* (Lawrence: University Press of Kansas, 2005).
- ⁵⁰ See Warner's comments in CSI, *The Origin and Development of the CIA*, 66-7. Warner adds that "This confidential fund, unvouchered funds, is the basic tool which enables CIA to conduct espionage, clandestine activities, the U-2, the SR-71 and all the various covert operations. Without this you are unable to spend money secretly in a way that is not publicized and subject to audit and leaks."
- ⁵¹ Houston to Hillenkoetter, "Responsibility and Control for OPC," 19 October, 1948, Warner, *The CIA under Harry Truman*, Document 46, 235-9.
- ⁵² Walter Pforzheimer interview in D. H. Berger, "The Use of Covert Paramilitary Activity as a Policy Tool: An Analysis of Operations Conducted by the United States Central Intelligence Agency, 1949-1951," (Federation of American Scientists) available online at <http://www.fas.org/irp/eprint/berger.htm>.
- ⁵³ Thomas, *The Very Best Men*, 40-1.
- ⁵⁴ Gregory F. Treverton, *The CIA and the Limits of American Intervention in the Postwar World* (London: Tauris, 1988), 37-8.
- ⁵⁵ Karalekas, *History of the Central Intelligence Agency*, 45.
- ⁵⁶ Corson, *The Armies of Ignorance*, 314-5.
- ⁵⁷ Corson adds that because "project approval within OPC was left basically to the initiative of individuals within the respective divisions rather than to any kind of an interdivision review board, or executive-led organization" and because of the "extreme compartmentalization which the OPC project system" it was almost impossible "for anyone except Wisner to render an accurate statement about how many operations were underway at any given moment- and he was too busy with other problems to carry out such a census." See Corson, *The Armies of Ignorance*, 313-4.

⁵⁸ Karalekas, *History of the Central Intelligence Agency*, 46.

⁵⁹ Corson puts this shift in attitude primarily down to the Soviet explosion of an atomic bomb and the ensuing sense of emergency felt within OPC and the administration at large. Corson, *The Armies of Ignorance*, 313.

⁶⁰ Karalekas, *History of the Central Intelligence Agency*, 45-6.

⁶¹ Corson, *The Armies of Ignorance*, 326.

⁶² Regarding the limitations and difficulties in seeking information on secret intelligence and “covert action” operations, see Len Scott, “Secret Intelligence, Covert Action and Clandestine Diplomacy,” *Intelligence and National Security*, Vol. 19, No. 2 (Summer 2004).

⁶³ For historical accounts of these various activities see Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence* (London: John Murray, 2002), Trevor Barnes, “The Secret Cold War: The C.I.A. and American Foreign Policy in Europe, 1946-1956,” *The Historical Journal*, Part I, Vol. 24, No. 2 (June 1981), Part II, Vol. 25, No. 3 (September 1985), Berger, “The Use of Covert Paramilitary Activity as a Policy Tool,” Nicholas Bethell, *The Great Betrayal: The Untold Story of Kim Philby’s Biggest Coup* (London: Hodder and Stoughton, 1948), Jeffrey Burds, *The Early Cold War in Soviet West Ukraine, 1944-1948* (Pittsburgh: University of Pittsburgh Center for Russian and East European Studies, 2001), Ray S. Cline, *Secrets, Spies and Scholars: Blueprint of the Essential CIA* (Washington: Acropolis Books, 1977), William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: The Dial Press/ James Wade, 1977), Corke, *US Covert Operations*, Michael W. Dravis, “Storming Fortress Albania: American Covert Operations in Microcosm, 1949-54,” *Intelligence and National Security*, Vol. 7, No. 4 (1992), Peter Grose, *Operation Rollback: America’s Secret War Behind the Iron Curtain* (Boston: Houghton Mifflin, 2000), Hersh, *The Old Boys*, Beatrice Heuser, “Covert Action within British and American Concepts of Containment, 1948-1951,” Richard J. Aldrich (ed.), *British Intelligence, Strategy and the Cold War, 1945-1951* (London: Routledge, 1992), , *idem.*, *Western ‘Containment’ Policies in the Cold War: The Yugoslav Case, 1948-53* (London; New York: Routledge, 1989), Rhodri Jeffreys-Jones, *The CIA and American Democracy* (London; New Haven: Yale University Press, 1989), Lucas, *Freedom’s War*, Mitrovich, *Undermining the Kremlin*, Leonard Mosley, *Dulles: A Biography of Eleanor, Allen, and John Foster Dulles and their Family Network* (London: Hodder and Stoughton, 1978), Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), John Ranelagh, *The Agency: The Rise and Decline of the CIA* (Sevenoaks: Sceptre, 1988), Harry Rositzke, *The CIA’s Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), Christopher Simpson, *Blowback: America’s Recruitment of Nazis and its Effects on the Cold War* (New York: Weidenfeld and Nicolson, 1988), Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon & Schuster, 1995) and Robin W. Winks, *Cloak and Gown* (New York: William Morrow, 1987).

⁶⁴ For instance see Grose, *Operation Rollback*, 165-74. Also see John C. Campbell Oral History, HSTL, 206-8.

⁶⁵ For instance Thomas Powers believes the lack of success of the political warfare campaign in Eastern Europe was not a failure of liberation because the United States “was not really trying to challenge Russian control of the East, only to create and internal threat which might be used in war.” See Powers, *The Man who Kept the Secrets*, 43.

⁶⁶ Berger, “The Use of Covert Paramilitary Activity as a Policy Tool.”

⁶⁷ Harry Rositzke, *The CIA’s Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), 16-23.

⁶⁸ In particular see Nicholas Bethell, *The Great Betrayal: The Untold Story of Kim Philby’s Biggest Coup* (London: Hodder and Stoughton, 1948) and Michael W. Dravis, “Storming Fortress Albania: American

Covert Operations in Microcosm, 1949-54," *Intelligence and National Security*, Vol. 7, No. 4 (1992), 425-42. Also see Aldrich, *The Hidden Hand*, 152-4, 160-5, Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), 82-100, Grose, *Operation Rollback*, 154-62, Hersh, *The Old Boys*, 244-8, 252-4, Beatrice Heuser, "Covert Action within British and American Concepts of Containment, 1948-1951," Richard J. Aldrich (ed.), *British Intelligence, Strategy and the Cold War, 1945-1951* (London: Routledge, 1992), 69-71, *idem.*, *Western 'Containment' Policies in the Cold War: The Yugoslav Case, 1948-53* (London; New York: Routledge, 1989), 75-80, Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 207-10, Robin W. Winks, *Cloak and Gown* (New York: William Morrow, 1987), 393-401.

⁶⁹ Bethell, *The Great Betrayal*, 3-4, 36-7, Aldrich, *The Hidden Hand*, 152-3.

⁷⁰ Bethell, *The Great Betrayal*, 113, Dravis, "Storming Fortress Albania," 431.

⁷¹ Hersh, *The Old Boys*, 254.

⁷² Memorandum of Conversation between Acheson and Bevin in Washington, 14 September, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V (Washington: United States Government Printing Office, 1976), 315-6. Also see Heuser, "Covert Action," 70-1.

⁷³ Miscamble sees the participation of Joyce, Davies and Kennan with OPC in the planning of Albanian operations as demonstrating a broader experience of joint development of anti-Soviet bloc projects, rather than as an exception. Miscamble, *George F. Kennan and the Making of American Foreign Policy*, 210.

⁷⁴ For the previously non-committal departmental position see Acheson to Embassy in Italy, 25 August, 1949, and Policy Paper by the Acting Chief, Division of Southern European Affairs Campbell, "Albania," 12 September, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 310, 311-13.

⁷⁵ Assistant Secretary of State for European Affairs George W. Perkins to Acheson, 13 September, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 314-5.

⁷⁶ Heuser, "Covert Action," 71.

⁷⁷ See for instance Memorandum of Conversation between Assistant Chief, Division of Southern European Affairs John C. Campbell and Albanian Minister to France Behar Shytella, 14 May, 1949, and Director of European Affairs Hickerson to Assistant Secretary of State for U.N. Affairs Dean Rusk, 16 May, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 299-302, 302-3.

⁷⁸ Harry Rositzke, *The CIA's Secret Operations: Espionage, Counterespionage, and Covert Action* (Boulder: Westview Press, 1988), 172.

⁷⁹ Dravis, "Storming Fortress Albania," 436.

⁸⁰ Heuser, "Covert Action," 71, Corke, *US Covert Operations*, 94.

⁸¹ James McCargar, who was the American commander of the Albanian operation until April 1950, quoted in Bethell, *The Great Betrayal*, 118,

⁸² For instance see Frank Lindsay's conclusions on the reasons behind the failure of the Albanian operation in Thomas, *The Very Best Men*, 72.

⁸³ Helms quoted in Hersh, *The Old Boys*, 256.

⁸⁴ Winks, *Cloak and Gown*, 399.

⁸⁵ Bethell, *The Great Betrayal*, 197. Bethell puts this down to the frenzied anti-communist atmosphere of the time in the run-up to the U.S. presidential election and the public popularity of the Republican platform to liberate Eastern Europe from Soviet domination.

⁸⁶ Aldrich, *The Hidden Hand*, 163-4, Dravis, "Storming Fortress Albania," 429, Hersh, *The Old Boys*, 245.

⁸⁷ Heuser, *Western 'Containment' Policies*, 45.

⁸⁸ See Aldrich, *The Hidden Hand*, 163, Grose, *Operation Rollback*, 152-4, Heuser, "Covert Action," 72-3, *ibid.*, 44-6,

⁸⁹ Heuser, *Western 'Containment' Policies*, 46.

⁹⁰ Cannon to Acheson, 31 January, 1949, *FRUS: Eastern Europe; The Soviet Union*, 1949, Volume V, 856-9.

⁹¹ For more on the Polish operation, see Aldrich, *The Hidden Hand*, 165-7, Grose, *Operation Rollback*, 176-9, Hersh, *The Old Boys*, 261-3, Rositzke, *The CIA's Secret Operations*, 169-71.

⁹² Rositzke, *The CIA's Secret Operations*, 169.

⁹³ Aldrich, *The Hidden Hand*, 165-6.

⁹⁴ *Ibid.*, 167.

⁹⁵ For more on the American support of the Ukrainian nationalist resistance movement see Aldrich, *The Hidden Hand*, 143, 167-72, Jeffrey Burds, *The Early Cold War in Soviet West Ukraine, 1944-1948* (Pittsburgh: University of Pittsburgh Center for Russian and East European Studies, 2001), Corke, *US Covert Operations*, 108-9, Grose, *Operation Rollback*, 171-4, 182-7, Hersh, *The Old Boys*, 258-9, Rositzke, *The CIA's Secret Operations*, 167-9, Simpson, *Blowback*, 160-72, Thomas, *The Very Best Men*, 34-6.

⁹⁶ Aldrich, *The Hidden Hand*, 168.

⁹⁷ Grose, *Operation Rollback*, 147-8, Thomas, *The Very Best Men*, 25, 33-5.

⁹⁸ Harry Rositzke quoted in Burds, *The Early Cold War in Soviet West Ukraine*, 18.

⁹⁹ Thomas, *The Very Best Men*, 60.

¹⁰⁰ Harry Rositzke recalled to author Christopher Simpson that "It was a visceral business of using any bastard as long as he was anti-Communist [... and] the eagerness or desire to enlist collaborators meant that sure, you didn't look at their credentials too closely." Simpson, *Blowback* 159.

¹⁰¹ Aldrich, *The Hidden Hand*, 168.

¹⁰² Burds, *The Early Cold War in Soviet West Ukraine*, 17

¹⁰³ Rositzke, *The CIA's Secret Operations*, 169.

¹⁰⁴ Burds, *The Early Cold War in Soviet West Ukraine*, 17-8.

¹⁰⁵ Tom Polgar and David Murphy quoted in Thomas, *The Very Best Men*, 67.

¹⁰⁶ Burds, *The Early Cold War in Soviet West Ukraine*, 43.

**A LEGACY OF DISORDER OVER DESIGN:
THE STRATEGIC AND OPERATIONAL FAILURE OF
U.S. POLITICAL WARFARE AFTER 1950**

Washington's political warfare campaign against the Soviet bloc continued to be undermined by fundamental strategic flaws after 1950. European Cold War divisions were intractably frozen by the time the Korean War broke out in mid-1950. Soviet dominance of the "satellite" nations on its western flank was firmly established and preservation of the *status quo* was intimately linked to Moscow's vital national security interests. This nullified any foreseeable opportunity for the removal of Soviet-communist power from Eastern Europe through U.S. political warfare activities, or for that matter by any means short of a full-scale military campaign.

The American aspiration to liberate Eastern Europe during the 1950s based on a course of limited "covert" operations was therefore unrealistic and unfeasible. Government policy papers increasingly reflected this unwelcome reality, although there remained a tendency to temper pessimistic forecasts with the hope that future opportunities to influence the Soviet bloc would arise. For instance in a policy paper released in August 1951 the NSC acknowledged that although "stresses and strains have developed in the European satellites," there were still "no indications that the difficulties are sufficiently serious to

jeopardize the Communist regimes, to reduce the firm grip of Soviet control over these regimes, or to prevent them from undertaking any action demanded by the Kremlin.”¹

Despite the flawed strategic conception, modifications to the American approach tended to focus on the political warfare machinery rather than on crucial policy failings. This was partly because strategic difficulties had become intimately tied in with the longstanding problem of organisational dysfunction. While improvements were clearly needed to ameliorate the internecine feuding that had been tolerated- and even fostered- by the system, no amount of organisational restructuring alone could resolve the basic outstanding strategic contradictions that left American policy goals unrealisable.

In part the attempt to improve organisational structures and practices was intended to deal with the loose approach to political warfare operations that had developed in the late 1940s. The initial concern of Hillenkoetter’s successor, DCI Walter Bedell Smith, was to challenge CIA’s deference to the Departments of State and Defense over the direction of OPC, rather than to clarify strategic ambiguities regarding OPC’s mission. His first act was to assert the CIA’s authority over Wisner’s group by bringing it under the DCI’s centralised control at a meeting on 11 October, 1950. His repudiation of the August 1948 “understanding,” from which OPC had derived a considerable amount of autonomy, was “well-received” by the departmental representatives to OPC (Joyce at State, Magruder at Defense and Admiral Leslie Stevens for the JCS).² The struggle to control political warfare between the previous principals Kennan and Hillenkoetter was avoided because both men had moved on in their respective careers. Bedell Smith’s rank and force of

personality were sufficient to ensure that his wishes were accepted. After initially hesitating, the DCI went beyond centralisation to fully integrate OPC and the Agency's secret intelligence unit OSO, leading to the creation of the "Clandestine Services" (euphemistically known as the Directorate of Plans) on 1 August 1952.³

Although these measures were justifiable improvements to the operation of the political warfare machinery, no amount of organisational tinkering to deal with operations could cope with the broader problem. American strategy remained incoherent, with peacetime tactical plans oscillating between the pursuit of violent revolution and gradualist evolution within the communist bloc. There was a fundamental failure on the part of U.S. policy-makers to design a viable and cogent set of methods and objectives on a national basis towards the Soviet bloc. OPC was substantially unregulated to decide the course of its operations free from an overarching strategic conception. The strategic vacuum inevitably resulted in a lack of consistency in American activities and policies towards the east.

The Impact of NSC 68 on Strategy and Operations

The strategic basis for the "liberation" of the Soviet bloc was not clarified by the production of a foreign policy "blueprint" in 1950. NSC 68 demanded the expansion of the political warfare offensive against Moscow and its allies but it did not resolve the issue of strategic aims and feasibility. Instead the vague goals of NSC 20/4 were simply reaffirmed.⁴ An intensified political warfare campaign would aim "to check and roll back the Kremlin's drive for world domination." NSC 68 advocated a costly increase in

American conventional and nuclear military capabilities. This in turn would provide an “adequate military shield” under which Western strength could be enhanced and “a vigorous political offensive against the Soviet Union” could be launched. The United States should “take dynamic steps to reduce the power and influence of the Kremlin inside the Soviet Union and other areas under its control” while the development of a preponderant military capacity would act as a deterrent against Soviet reprisals.

According to the policy paper, the effort should comprise an expansion of “affirmative and timely measures and operations by covert means in the fields of economic warfare and political and psychological warfare with a view to fomenting and supporting unrest and revolt in selected strategic satellite countries”⁵ The offensive character of this policy was confirmed when Truman staff assistant Charles Murphy asked for clarification at an NSC meeting in September 1950 that this meant that “we should intensify our efforts to look for ways to wrest the initiative from the Soviets and to roll them back.” Secretary of State Acheson replied that this was “very important and quite right.”⁶

NSC 68 therefore allocated more resources to the departments and agencies engaged in political warfare. Much of the restructuring of the political warfare apparatus after 1950 originated in the organisational strains of the expansion it sanctioned, although the document itself did not address underlying bureaucratic divisions that existed between government departments and agencies.⁷ Yet the basic problem was not these deep-seated institutional divisions, but the lack of a unifying concept. The allocation of greater resources to the bureaucracy under NSC 68 and the restructuring after its implementation

did not settle the strategic question to define the parameters and character of the “political offensive” against Moscow. This approach to the problem simply widened the gap between practical and strategic capabilities.

Recent scholarship has implied that, to the contrary, political warfare was central to NSC 68 and by extension to US national security strategy. According to this view, the Truman administration believed a military build-up was crucial in order to enable the United States to conduct its intensified clandestine campaign to roll back Soviet power in Europe.⁸ While NSC 68 did open up the space for the expansion of political warfare operations and justified this by determining that Soviet reprisals would be deterred with the build-up of preponderant American power, the lack of strategic consideration of the political warfare campaign is most significant. In fact senior Truman administration officials never paid meaningful attention to the strategic basis of a liberation campaign. This contrasts completely with the detailed examination of the approach towards Western European political and military policy conducted at the highest levels in Washington and coordinated between the departments through the State-Defense Policy Review Group.

PPS director Paul Nitze, the chief drafter of NSC 68, did not share Kennan’s later views on the strategic employment of political warfare within a unified European policy framework. In keeping with the attitudes of his superiors Acheson, Marshall and Truman, for Nitze the “first concern” was protecting the security of Western Europe where America’s NATO allies “were in serious need of reassurance that the balance of power was not tipping in favour of the Soviet Union.” This would be achieved by developing

“positions of strength” in the west through the build-up of conventional forces as well as a nuclear deterrent, rather than through the concentration of effort on a subversive methodology to undermine the Soviet Union itself.⁹

From this perspective US counter-force was seen as a valuable component, but not as a means of liberating the satellite regimes *per se*. Instead political warfare could be employed to destabilise the Soviet system in order to stave off the imminent Soviet assault on the “free world” inherent in NSC 68’s message that Moscow craved global domination. As time went on Nitze developed a “hierarchy of national security objectives.” He supported the intensification of political warfare against the Soviet Union when faced with the determined opposition of Russian specialist Charles Bohlen during 1951-2. Nitze argued that “as the free world’s capabilities are developed, opportunities will arise for inducing or compelling a retraction of Soviet power, not, of course, without any risks but at acceptable risks.”¹⁰ In contrast to Kennan’s concept that it should be an integral component, Nitze believed that the political warfare offensive should only be pursued once a preponderant level of military power had been achieved.

Kennan’s loss of influence during the drafting process of NSC 68 added to the neglect of a political warfare strategy. According to Scott Lucas, “Kennan’s voice was scarcely heard as Nitze dominated the meetings of the State-Defense Policy Review Group.”¹¹ Nitze confirmed that the drafting of NSC 68 “fell almost entirely” on himself, John Davies, Bob Tufts and Robert Hooker at PPS.¹² Kennan therefore felt the “bludgeon” of the new approach more sensitively than most in the government.¹³ His diminishing

influence and the lack of other figures to pick up his baton meant that a unifying concept was not provided within the pages of NSC 68 or elsewhere. The notion of an offensive to retract Soviet-directed communism was peripheral in contrast to the determination to bolster the material and psychological strength of the “free world.”

Senior policymakers in the post-war period allowed the conceptualisation of an American strategy for Eastern Europe to ride the coattails of its Western European policy. The vague notion prevailed that by first developing a position of strength in Western Europe somehow Eastern Europe would transform itself along western lines. This was related to Kennan’s principle of attracting Eastern Europe into the western fold by creating a wealthy and politically stable Western Europe. Kennan had belatedly sought ways of unifying a policy to strengthen Western Europe in combination with diplomatic efforts to retract Soviet power from Central and Eastern Europe. But in practical terms American officials dealing with Eastern European policy were left adrift by Washington’s overwhelming emphasis on Western Europe between 1947 and 1950.

This is not to say that there was not the ideological commitment at the highest levels of the government to *aspire* for the realisation of the American interpretation of the Yalta “Declaration of Liberated Europe” in Eastern Europe. But men of influence like Truman, Marshall, Lovett, Acheson, Nitze and Forrestal did not move beyond the aspiration to develop strategically-conceived policies specifically aimed at influencing the political fate of Eastern Europe while the international situation remained flexible. Once Europe had divided into hostile Cold War camps the only realistic (but unthinkable) option left

open to American planners to induce free elections and representative governments in Eastern Europe was a full-scale military campaign to drive out the Soviet garrisons.

U.S. policy was instead driven by concerns over Western Europe's political future. This policy was disconnected from any efforts to deal with Eastern Europe, particularly from 1948-9 as plans to partition Germany and formalise a military alliance with Western Europe gathered pace. The paradox of this was that as America successfully advanced towards achieving its goals in Western Europe, the chances of securing its aspirations in the east receded. Ironically, the relative clarity of Washington's Western European policy from 1947 onwards actually compounded the development of a unified European strategy as relations between Russia and America soured. Stalinist Russia felt gravely threatened by the implementation of the Marshall Plan, the establishment of an independent West Germany and creation of the North Atlantic Treaty Organisation (NATO). From late 1948 Moscow's national security was therefore irrevocably linked to the maintenance of a hegemonic but nonetheless "defensive" position in Eastern Europe.

The lack of a unified European strategy by no means put Eastern Europe out of bounds for U.S. operations. This was so even though when the Truman administration approached the issue of undermining Soviet control of the region in some depth, particularly during 1949, discussions quickly exposed a lack of workable alternatives. Political warfare was essentially regarded as a lesser evil. It was preferable to the alternatives- in particular negotiations and military action- even though this methodology itself did not necessarily resolve how to roll back Soviet power in the east.

On the one hand, for domestic political reasons, political warfare operations were preferable to complete passivity. Although Washington attempted to shroud OPC's activities in secrecy, internal and domestic political pressure dictated that the government was seen to be doing something. The overall political warfare programme was a visible venture. Washington engaged thousands of Eastern European exiles and domestic émigré communities within the United States in a moral challenge to Soviet rule, although the government attempted to blur its direct links through its orchestration of "State-private" networks and front organisations.¹⁴ This also provided an outlet for Cold Warriors to exercise their anti-communist fervour. On the other hand Washington ran with political warfare rather than risk a hot war because of all the terrible connotations evoked by a full-scale conflict with Russia. Ultimately the military option held little prospect of unifying Europe on any worthwhile terms given the emerging scenario of Mutually Assured Destruction in the atomic age.

By 1949 political warfare had reached its limits in practical terms. There was very little that could be done by the United States to influence the Soviet bloc without some sort of a strategic resolution. If the "liberation" of Eastern Europe through political warfare alone was unfeasible, then this opens up the question of what the viable alternatives were beyond military conflict and passivity on the tactical level. Diplomacy was the only remaining realistic alternative- and in the long run it proved the most effective medium for thawing relations between east and west.

Numerous attempts were of course made in the post-war period to reach a political settlement over Eastern and Central Europe, particularly through the forum of the Council of Foreign Minister meetings. Although such efforts proved extremely divisive, prior to the Cold War freeze of 1948-9, a negotiated resolution over Eastern Europe was the most realistic option by which the Truman administration might have reached a *modus vivendi* with Moscow. This did not necessarily demand that diplomacy would have to be separated from political warfare. Indeed a combination of methods was exactly what Kennan called for in 1948-9, although at this stage American Western European policy had undermined its viability.

Even after Europe divided along Cold War lines, diplomacy still offered a way to partially achieve American aspirations, while opening up a space for political warfare to play a viable role in inducing further gains. In the late 1940s Washington was in an optimal position to secure favourable terms from Moscow over the political neutralisation of Central Europe (Germany and Austria). In 1947 the United States had not held a sufficient position of strength to exploit a political settlement to its maximum advantage. Because of this American planners had expected to be rebuffed over ERP by the Eastern European regimes. So it was that in 1947 Washington's limited capabilities meant that it had been unable to parlay out of the Marshall Plan the opening up of Eastern Europe.

By 1949 a firm position of strength had successfully been established in Western Europe through implementation of the Marshall Plan, the favourable Italian election results and drawing down of the Greek civil war. In contrast, the Soviet position in Central Europe

was at its lowest ebb following the ill-conceived blockade of Berlin. Moscow's sense of acute vulnerability, stemming particularly from the impending creation of an independent and prospectively powerful West German state, created a unique window of opportunity making it temporarily amenable to a face-saving settlement to unify and neutralise Germany.

Despite the American "successes" in Western Europe, the broader objectives in NSC 20/4 towards the Soviet bloc had not been accomplished by 1949. This led Kennan and the Policy Planning Staff to return to the question of a unified European strategy centred on the German question. Given the relative strength of the American position and its popular support among the German people, Kennan and PPS realised that any agreement reached at this time would undoubtedly favour the west more than the east. Through a combination of diplomatic and economic measures alongside a political warfare campaign the Soviet bloc could be incrementally softened up and the Eastern European states drawn over to the west by attraction rather than coercion.

Furthermore, Marshall and Kennan both recognised during the development of Program A for the neutralisation of Germany that even if Moscow rejected initial American diplomatic gestures, Washington would still gain political capital from the taking the initiative. PPS37/1 noted that "Program A is unlikely to be accepted at this juncture, and therefore unlikely to constitute a solution of the Berlin difficulty at the present time." Nevertheless it would "provide one more channel" for possible future discussions and should therefore be considered as "a starting point for what will probably be long and

difficult negotiations.” In the interim the United States would “be in a relatively favourable propaganda position vis-à-vis the Germans in Berlin and elsewhere” because the “significance of this program lies primarily in its potential psychological effect rather than in the possibility of its immediate acceptance.”¹⁵ This was an important consideration not only in relation to Germany but more broadly as the public relations struggle with Moscow to win over world public opinion was seen as extremely significant. Soviet rejection of American diplomatic overtures would inevitably discredit the legitimacy of Russia’s own “peace offensive.”

Important differences between the Nitze/Acheson concept and Kennan’s position seemed to indicate that there were other advantages in pursuing a diplomatic route.¹⁶ Nitze and Acheson agreed that preponderant positions of strength should be established in Western Europe through political, military and economic initiatives prior to negotiating settlements with Moscow. This was primarily a “defensive” approach that aimed to safeguard American interests in Western Europe against further Soviet-communist encroachment. Nitze claimed in his memoirs that he did not “consider a policy of rearmament as necessarily implying the futility of negotiations or the imminent possibility of a shooting war.”¹⁷ But there was a genuine risk that the pursuit of preponderant strength would become an end in itself, losing sight of the ultimate purpose of settling Cold War hostilities. Acheson gave an indication of this in testimony before the Senate Foreign Relations Committee on the eve of the Paris Conference of Foreign Ministers in 1949. Under questioning from Senator Arthur Vandenberg, Acheson indicated that the unification of Germany was not “an end in itself” but that the key

objective instead was “the strengthening and recovery of Western Europe.” Vandenberg challenged the Secretary of State that the U.S. agenda at Paris appeared to be negative, to gain a Soviet rejection of the American proposal in order that it could proceed with Germany’s partition and the establishment of NATO. With considerable prescience the senator asked “does this mean that the result of this meeting is going to establish [...] the fact that there is a permanent Cold War [...]” Acheson’s evasive reply was that differences would not necessarily be “permanent” but that the immediate task was “to see who develops more strength.”¹⁸

There were other disadvantages with the Nitze/Acheson concept of building up preponderant American strength. The manifestations of this programme- ERP, NATO, the tripartite partition of Germany etc- were perceived as offensive initiatives in Moscow and therefore acutely threatening. They stimulated parallel defensive responses by the Kremlin that escalated Cold War tensions and hardened the “lines of cleavage” that Kennan had feared.¹⁹ Paradoxically, Kennan’s own belated attempt to use western political and economic vitality as a magnet to attract Eastern European states into the western bloc probably posed a greater threat to Moscow’s grip on the region. But this more “offensive” approach to peacefully retract Soviet power and unite Europe on western terms would actually appear to be a more benign policy to the Russians.

In any case by 1949 Kennan’s desire to employ diplomacy alongside political warfare was at odds with mainstream attitudes in Washington. A consensus was forged that was embodied by the Nitze/Acheson concept of building up positions of strength first in

Western Europe and then pursuing diplomatic solutions for the Soviet bloc at an undefined later stage. This viewpoint was fortified by the perception of increasing Soviet and world communist belligerence.

As a result American strategy was powerless to transcend the European divide, and instead tended towards mutual U.S.-Soviet exacerbation of the bipolar schism.

Washington did not devise a “wedge” strategy to separate Moscow from its satellites. To the contrary, although the Planning Staff attempted to produce a unifying strategic framework for a pan-European policy, Kennan’s window of opportunity was extremely limited. Ultimately it was not possible to gain the support of Truman, Acheson, Nitze and other senior officials, especially after autumn 1949 when the Soviet Union successfully exploded an atomic bomb and Washington suffered the “loss” of China to Mao’s communist forces. The seeming escalation of the global threat heralded by these events cemented the Truman administration’s preference for “militarised” policy solutions.

Although the Kennan thesis was definitively rejected with the demise of Program A in favour of the Nitze/Acheson model, American policymakers were unable to design an alternative approach to the European dilemma. From this point the United States pursued preponderant levels of military and economic power over the Soviet adversary, yet a workable strategy for Eastern Europe was not devised to replace the obsolete political warfare offensive. Instead, the strategic vacuum left the field open at the operational level for OPC to continue to operate against the Soviet bloc. So long as the retraction of Soviet power was retained as an *aspiration* at the policy level, then the space remained for

political warfare activists to conduct anti-Soviet and anti-communist operations. But the ill-fated campaign was strategically ineffective because it was conducted in isolation of diplomatic attempts to produce political settlements in Central and Eastern Europe.

Political warfare therefore best complimented the dichotomy at the heart of U.S. policy in Europe. It did not hinder the development of a powerful western bloc through political, economic and military alliances. Moreover, it offered flexible and unconventional methods to counteract Soviet-led communist interests in Western Europe. Political warfare also had its uses when applied to Eastern Europe. It partially assuaged those in the Truman administration who wanted to adopt a more aggressive stance against communism. Even though the strategic reality was that political warfare was impotent to affect the hegemonic Soviet position, it allowed Washington to maintain the links that had already been built up with private and émigré groups and to retain a public commitment to the liberation of Eastern Europe.

But this approach did not constitute a solution to the longstanding question of how to overcome Soviet domination by peaceful means to liberate Eastern Europe. Instead it fostered a perpetuation of the *status quo* enabling American priorities elsewhere to be secured. At the highest levels, therefore, the Truman administration actually paid scant attention to liberating Eastern Europe from Russian dominance. Instead it was left to the working levels of the government, to the American missions and representatives in the region as well as to the Policy Planning Staff and geographic desk hands in the State Department, to attempt to utilise the scraps left over from Western European policy. *De*

facto influence was increasingly wielded at the operational rather than policy-making level, particularly by OPC, in the vacuum left by strategists at a loss to devise policies from such limited options. Individual operations behind the iron curtain could never achieve the goals stated in NSC 20/4 without some sort of unifying conception to exploit political, economic and even paramilitary openings. Strategically, the policies that resulted were therefore as fragmented as the bureaucracy that had created them.

NSC 68 did nothing to modify this trend of US foreign policy. The irony of the policy paper was that while it marginalised the strategic basis for political warfare, it actually opened up the space operationally for it to come to the fore of American activity. This was because of the vast increase in the allocation of resources in support of a “political offensive.” This was not a departure but a new opening, as Michael Warner observes. For although NSC 68 and the Korean War “precipitated exponential growth at OPC [...] it nevertheless seems clear that the Office was growing rapidly even before it received new tasking.”²⁰

The strategic vacuum was linked to a leadership vacuum because senior officials including President Truman and his Secretaries of State and Defense did not want to make a practical or strategic commitment to liberation, prioritising other elements of policy above Eastern Europe. It was within the context of this vacuum that NSC 68 proved to be such a potent catalyst for expanded political warfare operations. Although the strategic framework delineating how to proceed was not provided, the message disseminated to the operational branches was that action was urgently required. Joyce

informed senior OPC officials at a meeting at Carmel Offie's house on 18 April 1950 that the new national security strategy "if approved, will have a material effect upon OPC planning and operations."²¹ According to Joyce, OPC was now authorised to "*take dynamic steps* to reduce the power and influence of the Kremlin *inside* the Soviet Union," a message he passed on verbatim from the passages of NSC 68. This would include:

Intensification of affirmative and timely measures and *operations by covert means* in the fields of economic warfare and political and psychological warfare with a view to fomenting and supporting unrest and revolt in selected strategic satellite countries.²²

At this stage OPC was asked to prepare estimates of the requisite funds for the envisaged expanded programme. Joyce also conveyed the State Department's preference for utilising foreign rather than American agents where possible.²³ Presumably this was in line with the concept of plausible denial, as well as the extra advantage of being the cheaper option.

While not providing strategic clarity, unmistakable "assumptions" were conveyed to OPC in May 1950 to proceed with a "major effort in the field of covert operations" against the Soviet bloc and Russia itself, a campaign that was set to run for at least the next six years.²⁴ This instantly encouraged OPC to demand larger budgets and to enlarge its personnel strength. According to an official investigation, on the operational level the number of anti-communist projects and operations "simply skyrocketed" as a result.²⁵

NSC 68 was eventually adopted in light of the outbreak of the Korean War. Huge demands were now placed on OPC/CIA by the NSC and the State Department. But the Department of Defense and JCS in particular urged that covert operations be undertaken

further afield than Cold War Europe in the Far East. OPC was directed to engage in the Korean theatre with emphasis placed on infiltrating agents into China to conduct intelligence, propaganda and paramilitary missions behind enemy lines in support of military operations.²⁶ General MacArthur had previously tried to keep what was regarded as the amateurish OPC out of the region, in the same way that he had resisted Donovan's OSS in the Pacific theatre in World War Two. Although OPC had managed to initiate a limited base of operations in Asia in 1949, the Korean War proved to be the decisive catalyst cementing the CIA's geographic scope on a global basis.²⁷ The legacy of this expansion post-Korea was that the CIA increasingly targeted the developing world to discredit "International Communism" and curtail its spreading influence worldwide.²⁸

Even as the Far East was opened up to OPC, the prevalent interpretation of the Korean War as the opening salvo by Moscow in a general war meant that American attention was still focussed substantially on Europe. After all, NSC 68 had been drafted in light of the Soviet development of the atomic bomb and was a product of the American establishment's anxiety over the strategic ramifications of this on the U.S. position in Europe.²⁹ Consequently, approximately half of OPC's operational output continued to be directed towards Europe rather than the Far East for the duration of the Korean War.³⁰ Activities included a proliferation of psychological warfare, propaganda and cultural programmes targeting the entire Eastern European region and the Soviet Union. This was most notably undertaken through the organisation of the ostensibly private National Committee for a Free Europe founded in June 1949 in New York. Supplementing the overt activities of VOA and West Berlin's Radio in the American Sector (RIAS), NCFE's

broadcasting arm Radio Free Europe unleashed a propaganda campaign from its headquarters in Munich targeting the populations of Czechoslovakia, Poland, Hungary, Romania and Bulgaria beginning with its first transmission to Czechoslovakia on 4 July 1950. The avowed purpose of RFE according to the official CIA handbook issued in November 1951 was “to contribute to the liberation of the nations imprisoned behind the Iron Curtain by maintaining their morale and stimulating in them a spirit of non-cooperation with the Soviet dominated regimes.”³¹ This effort was complimented by the separate but parallel American Committee for the Liberation of the Peoples of Russia which created Radio Liberty in 1951 to conduct anti-communist Russian-language broadcasts targeting the Soviet Union itself.³²

This was in fact just the tip of the iceberg of the American political and psychological warfare effort against the Soviet Union and communist ideology. The United States launched a “crusade” against Moscow that harnessed all walks of life against the Soviet foe. In practice this fostered a hidden State-private nexus mobilising a broad range of intellectual, cultural, informational, political, business, labour, student, youth and women’s organisations against Soviet-communist ideology both in the United States and across the world.³³

Operations aimed at unseating communist regimes through more direct covert paramilitary intervention are also known to have been financed and directed by the U.S. Government in this period. This was even confirmed by the official Senate investigation into the CIA’s covert activities undertaken in the mid-1970s.³⁴ Despite the provocative

nature and destabilising effect of such operations on international relations, the United States attempted to foster anti-government resistance movements across the region.³⁵

The Organisation of Operations under the CIA

Between 1951 and the end of the Truman administration attempts were made to rectify organisational problems caused by the adoption of political warfare as a component of U.S. foreign policy. Arguably, these efforts represented a pragmatic way to deal with the fragmented approach that had prevailed since the creation of OPC and the August 1948 understanding that had partially separated it from the coordinated control of the bureaucracy.

Two structural developments in particular potentially offered the administration a tighter base from which to proceed with a coordinated political warfare offensive against the Soviet Union. Firstly, DCI Walter Bedell Smith asserted the CIA's authority over OPC's activities and merged political warfare with the other elements of the U.S. intelligence system. The need for clearer control of OPC had been brought to a head with its massive expansion under NSC 68. It was partially resolved in late 1950 by the creation of the post of Deputy Director of Plans that provided centralised control under the DCI. The merger of OPC and OSO in 1952 cemented the Agency's responsibility and authority for political warfare, despite Bedell Smith's personal misgivings about these activities.³⁶

Further bureaucratic tensions were stimulated by the eventual merger, particularly flowing from the longstanding rivalry between the intelligence collectors at OSO and OPC's activists. This was embodied in Wisner's famous derisive characterisation of OSO

as “a bunch of old washerwomen gossiping over their laundry.”³⁷ Nonetheless centralisation and integration, despite these tensions, represented clear progress from the fragmented set-up that had existed since mid-1948.

The OPC merger followed formal reaffirmation by the NSC in October 1951 of the Agency’s authority to conduct political warfare. NSC 10/5 resulted from DCI Smith’s attempts to disengage the CIA from the extremes of the political warfare offensive. He was initially “dismayed” at the scale of OPC operations brought under the CIA’s centralised control in late 1950. This prompted his call for a “worldwide structure for covert operations on a much grander scale than OPC had previously contemplated” to prevent the CIA from being overwhelmed.³⁸ Fearful that this would “militate against the performance” by the Agency of “its primary intelligence functions,” he established a “Murder Board” to purge OPC operations that were deemed to be of dubious value.³⁹ Roughly one in three projects was eventually culled, though the DCI’s attempts to scale back OPC’s activities ultimately only had a “marginal effect” according to Agency historian Ludwell Lee Montague. He was not helped by the fact that his deputies Allen Dulles and Frank Wisner discreetly undermined his attempt to transfer OPC’s paramilitary activities to the Department of Defense.⁴⁰

Such was the scale of OPC’s political warfare undertakings in the aftermath of NSC 68 that Bedell Smith sought clarification from the NSC over the desired “Scope and Pace of Covert Operations.” The issue was not broadened to introduce strategic questions regarding American Cold War objectives as it was not the DCI’s place to do so within the

bureaucracy. He simply sought clarification of the CIA's organisational authority and operational responsibility for political warfare. Bedell Smith's "Magnitude Paper" forwarded on 8 May 1951 therefore urged the NSC to authorise a comprehensive review to re-evaluate the CIA's role in the political warfare campaign. The hope was that these activities would either be formally separated from the Agency or at least scaled back by NSC ruling.⁴¹

To some extent Bedell Smith's action backfired as an NSC special committee now explicitly committed the Agency to conduct political warfare on a very large scale.⁴² DCI Smith had hoped that the CIA would be recognised principally as an intelligence agency rather than the centre for political warfare operations. Instead the NSC formally approved "the immediate expansion of the covert organization established in NSC 10/2, and the intensification of covert operations [...]" NSC 10/5 confirmed CIA's responsibility under NSC 68's expanded mandate to place "maximum strain on the Soviet structure of power, including the relationships between the USSR, its satellites and Communist China." The CIA must "when and where appropriate in the light of U.S. capabilities and the risk of war, contribute to the retraction and reduction of Soviet power and influence to limits which no longer constitute a threat to U.S. security." It should also develop "underground resistance and facilitate covert and guerrilla operations in strategic areas to the maximum practicable extent."⁴³

The attempt to orchestrate OPC's political warfare campaign under the Agency's auspices belatedly provided some bureaucratic order to the operation of political warfare.

Following the adoption of NSC 10/5, Bedell Smith accepted the CIA's responsibility for political warfare and integrated OPC with OSO. The merger enabled the better management and coordination of political warfare operations under a clarified chain of command. But this still did not provide planners and operators with a clear unifying conception of the strategic premise behind operations.

The Rise and Fall of PSB

A second development in the reorganisation of the political warfare machinery potentially provided the foundations for resolving the persistent problem of defining a Cold War strategy. A coordinating body called the Psychological Strategy Board (PSB) was created in April 1951 by President Truman to link the operational arm (the CIA) with the policy-making branches (the Departments of State and Defense). PSB comprised Undersecretary of State James Webb, Deputy Secretary of Defense Robert Lovett and DCI Bedell Smith, along with a staff directed by Gordon Gray. This followed the recommendations of Project TROY that "some single authority" should be created with the "capacity to design a comprehensive program and power to obtain execution of this program."⁴⁴ Its primary responsibility was to provide the:

formulation and promulgation, as guidance to the departments and agencies responsible for psychological operations, of over-all national psychological objectives, policies and programs, and for the coordination and evaluation of the national psychological effort.⁴⁵

Measures for tighter operational coordination were duly set up by the Agency following the establishment of PSB and OPC's integration within the Agency. DCI Smith established strict procedures governing the initiation, review and approval for all major

political warfare projects. A CIA committee would initially review the proposal and submit recommendations to Deputy Director of Plans (DDP) Wisner. If he concurred then the plan would be transmitted to the DCI and upon the director's acceptance it would be forwarded to PSB for evaluation and approval. This rigorous process was a far cry from the lax set-up under the August 1948 "understanding" and was designed to ensure that no major programme could be undertaken without prior analysis and endorsement of its merits on a broad bureaucratic basis below NSC level.⁴⁶

The modified arrangement meant that for the first time under Truman, Washington had organised all the elements of the covert apparatus in combination with a coordinating body to provide a framework for operations. The PSB Staff then attempted to move beyond simply coordinating operations between departments to provide a unifying strategic conception for the political warfare campaign. This endeavour was ultimately overtaken by organisational wrangling that negated a united bureaucratic effort. PSB had been vested with broad but ambiguous responsibility for coordinating and assessing the "psychological" dimension of Cold War activities. But its precise role within the bureaucracy for transmitting political warfare "guidance" was not clearly stipulated, while it was not vested with sufficient authority to challenge the Departments of State and Defense as an equal partner. Their seniority effectively left PSB beholden to departmental views.

Its attempts to explore the question of a Cold War strategy were not well-received, particularly by officials in the State Department. This generated an acrimonious battle

over its jurisdiction. The feud subsequently overshadowed PSB's attempts to develop a coherent national American strategy against the Soviet bloc. Two conflicting interpretations of PSB's role lay at the heart of the conflict. One opinion, held by many in the CIA and the PSB Staff, viewed the new body expansively as the "headquarters for the cold war." According to this interpretation, "the Board's concern would embrace any or all of the major policies, programs or activities of the Government." PSB should therefore be recognised as exercising sufficient authority to engage in broad strategic assessments, pulling the overall effort together on a conceptual level to establish a unified policy. A conflicting view prevailed primarily in the State Department that PSB should have a much more limited role, evaluating individual "programs specifically identified as psychological operations." From this perspective PSB would merely "provide a forum for the exchange of ideas and information, a committee type structure for the coordination of psychological plans." It should not broach fundamental questions of policy.⁴⁷

The PSB Staff quickly took a broad view of their role to develop an all-encompassing strategy incorporating an inter-departmental approach to orchestrate the growing number of Soviet bloc operations stimulated by NSC 68 and NSC 10/5. PSB Director Gordon Gray believed this had been President Truman's intention and that his charter was "to draw a plan for the cold war."⁴⁸ NSC 10/5 also seemed to confirm the importance of the new body on the strategic level by making PSB responsible for determining "the desirability and feasibility of programs and of individual major projects for covert operations formulated by or proposed to the Director of Central Intelligence." It should

also establish “the scope, pace, and timing of covert operations and the allocation of priorities among these operations.”⁴⁹

The broad interpretation of PSB’s role stimulated fractious debates over who controlled the formulation of American policy. The CIA and PSB Staff were eager to confront the strategic dilemma over how to proceed against the Soviet bloc, recommending the adoption of an explicitly offensive strategy to replace what some regarded as the defeatist and passive containment strategy.⁵⁰ In November 1951, PSB therefore requested that OPC draw up “Plans for the successful detachment of these satellites, including China, with or without revolution, where feasibility is believed to exist.” Such plans were to include a detailed breakdown of their “feasibility, priority, emphasis and pace” along with their “manpower and logistic requirements.”⁵¹

Following the impetus provided by PSB, by 1952 a coordinated set of offensive covert operations against the Soviet bloc codenamed Packet had been developed by the CIA. But a decision on whether to approve a liberation campaign was still pending at senior levels of the government. In May, PSB Deputy Director Tracy Barnes therefore requested a firm clarification of the American commitment to achieve liberation in order to implement Packet. Barnes asked PSB Members DCI Bedell Smith, Undersecretary of State David Bruce and Assistant Secretary of Defense William Foster whether U.S. policy endorsed “supplying overt physical support to revolutionary factions that might emerge in the wake of Stalin’s death, if the situation offered a reasonable chance of changing a regime to suit U.S. interests without going to war?” Barnes also hoped for an

unequivocal decision on whether American policy included or excluded “efforts under any circumstances to overthrow or subvert the governments of the satellites of the USSR?”⁵²

Wisner also pressed the case for a strategic affirmation of an offensive campaign, authorising Mallory Browne, director of PSB’s Office of Evaluation and Review, to produce an “Overall Strategic Concept for our Psychological Operations.” Browne concluded that “an offensive concept of psycho-strategy requires less an official change of policy than a frank recognition of what is really implicit in our existing policy objectives [...]” Strategic coherence could be generated by “abandoning “containment” and openly espousing “liberation”.” According to Browne the Soviet Union was “a colossus with feet of clay,” but the United States must adopt “a positive approach that acknowledges the vital necessity of overthrowing the Kremlin regime” before it could achieve results. Moreover, “our present strategy of fighting a defensive delaying action in the Cold War while we prepare primarily to defend ourselves in a hot one” should be discarded and replaced with “a fully planned and phased global strategy of offensive underground fighting.”⁵³

The argument for an offensive made by PSB and CIA officials failed to overcome hesitancy within the broader administration over U.S. capabilities to bring about the envisaged Cold War victory over the Soviet Union and concomitant “liberation” of Eastern Europe. The firm entrenchment of communist regimes with ruthlessly effective internal security systems buffered by close politico-military links to the Soviet Union

negated the viability of regime change through political warfare alone. A pre-emptive U.S. military campaign had been explicitly ruled out for several years, while by 1952 the contradictions in the State Department position were deepening. Although the Bohlen thesis urged a retrenchment of policy towards genuine containment, the Nitze camp maintained that political warfare should be retained to retract Soviet power once a sufficient U.S. position of strength had been achieved. This bred confusion over strategic goals and paralysis over the authorisation of Packet.

The attempt by PSB and the CIA to clarify U.S. strategic goals towards the Soviet bloc was therefore frustrated, but not by a definitive high-level rejection of liberation. The strategic issue did not reach the NSC and the President because the State Department resisted PSB's attempts to broaden its role within the bureaucracy.⁵⁴ State had objected to the creation of PSB in the first place, fearing that it would infringe upon the department's authority to formulate foreign policy. Departmental officials like Paul Nitze and Charles Burton Marshall in the Policy Planning Staff remained adamant that PSB must be kept in check. Although the CIA and the JCS accepted that the Board should exercise wide responsibilities to cover "every kind of activity in support of U.S. policies except overt shooting war and overt economic warfare," Nitze and Marshall were determined that its remit must instead be defined narrowly. A "more conservative concept" was necessary "to set limits- rather than leave practically un-delimited the jurisdiction of the Board" in order to avoid "duplication of and conflict with pre-existing agencies."⁵⁵ Nitze and Marshall opposed the concept of PSB as a "headquarters for the cold war" as this would be "a source of potential mischief."⁵⁶ Nitze lobbied Undersecretary of State Webb (and

later David Bruce) to ensure PSB should only link the agencies engaged in narrowly-defined psychological operations, to guarantee that it did not infringe on the State Department's bailiwick.⁵⁷

The State Department prevailed in blocking PSB, despite implicit encouragement from NSC directives and the recommendation of a progress report that PSB should "give increased emphasis to forward and strategic planning and to the evaluation of the total national psychological effort."⁵⁸ PSB complained that departmental obstruction would perpetuate the lack of an "agreed strategic concept," of "clarification of basic national policy" and of "fully developed plans to implement national policy." The State Department immediately counter-attacked against the "fallacy" of PSB's charges claiming that far more pertinent were "the difficulties of the present international situation, the insufficiency of U.S. capabilities to affect the situation as markedly as we should like to be able to, and, admittedly, some failure in applying the capabilities we do have as effectively as we might."⁵⁹

The failure to define a strategic conception left activists within the administration exasperated. PSB Director Gordon Gray recalled how "the State Department felt that this was an invasion of their business." Paul Nitze, chief of PPS in the State Department, warned Gray against attempting to produce analyses of US strategy. At one point Nitze brashly told Gray, "Look, you just forget about policy, that's not your business; we'll make the policy and then you can put it on your damn radio." Departmental obstruction left the PSB Director with "a feeling of complete frustration," and, in his view,

diminished PSB to “largely an abortive organization, because most of the agencies wouldn’t cooperate” for the remainder of the Truman administration.⁶⁰

To make matters worse, at the same time that State emasculated PSB there was an increasing demand to determine the strategic basis of U.S. Soviet bloc policy. Serious doubts within government were raised during 1952 over both the present course of vacillation and a more offensive campaign. In August a PSB progress report on political warfare operations painted a gloomy picture of U.S. achievements to date and the unlikelihood of future success:

There was no evidence of progress toward the achievement of the basic objectives set forth in NSC 20/4, namely the reduction and retraction of Soviet communist power. Moreover, short term possibilities of any improvement in this respect appeared so slight as to be negligible.⁶¹

By 1952 splits were materialising in the leadership of the merged CIA/OPC over the best way to proceed against the Soviet bloc. Despite his initial enthusiasm for guerrilla operations, the head of OPC’s Soviet bloc division Franklin Lindsay now had serious doubts over the strategic credibility of these activities. Lindsay became disillusioned with the dismal record of attempts by OPC agents to detach a communist country from the Soviet orbit through paramilitary operations. He gradually recognised that on the operational level “the odds are almost 100 percent that the nascent resistance would be fully penetrated [by the communist secret police] before it expanded to a size that made any difference.” In his own words, Lindsay “began to have real doubts about rolling back the Iron Curtain” on a broader strategic level. “It was peacetime, not wartime. The stuff

that had worked against the Germans did not work against the Russians, who seemed impervious. It was time to back off and think this thing through.”⁶²

In October 1952 Lindsay penned a 9 page memorandum to his superiors Frank Wisner and Allen Dulles in which he criticised the basis of the political warfare campaign:

The instruments currently advocated to reduce Soviet power are both inadequate and ineffective against the Soviet political system. The consolidated Communist state [...] has made virtually impossible the existence of organized clandestine resistance capable within the foreseeable future of appreciably weakening the power of the state [...] Guerrilla action in interior areas of the Soviet Union is impossible because of the impossibility of establishing a base relatively secure from Soviet police control. Areas bordering the Soviet sphere are without exception controlled by minor or secondary states, and the fear of provoking Soviet aggression effectively deters these states from supporting guerrilla operations across their borders.

Yet Allen Dulles, in particular, refused to accept the fallibility of political warfare as a tactical expedient and apparently took umbrage with Lindsay’s rebuke line by line.⁶³ That Dulles continued to be enamoured with such activities had major ramifications on the future course of the CIA’s operations, as soon afterwards he was appointed Director of Central Intelligence by President Eisenhower. This opened up new opportunities for the employment of political warfare not only in Europe and the Far East, but on a worldwide basis as the Cold War broadened in scope and reach.

In its last year in office, the Truman administration failed to decide on a unifying concept for its strategy towards the Soviet bloc that either embraced liberation or accepted a *de facto* Soviet sphere of influence in Eastern Europe. Its indecision meant that policy continued to chart an ineffective and contradictory middle course that retained elements

of an offensive and moderate stance. One of the final Truman policy statements, NSC 135/3, permitted the continuation and intensification “as practicable” of “positive political, economic, propaganda and paramilitary operations against the Soviet orbit” as long as it did not entail undefined “unacceptable risks.” Despite widespread doubts over the credibility of the “Titoist” strategy, the policy paper still pressed for “the exploitation of rifts between the USSR and other communist states thus possibly offering to certain satellite peoples the prospect of liberation without war.”⁶⁴

The internal policy contradictions and strains were borne out in NSC 135/3 (and NSC 141 that followed). Having left the space open for Cold War activists to pursue offensive operations, this policy paper simultaneously urged their restraint. It was a “valedictory” policy statement released on the cusp of the change of administration.⁶⁵ Yet its contradictions were far more significant than this might suggest, stemming from an awkward accommodation of Bohlen’s contention that the Soviet priority was protection of its vital interests, not global expansion as NSC 68 had insisted. If Bohlen’s hypothesis was correct then Washington was faced with an unwelcome paradox. Should the campaign to retract Soviet power ever show signs of success then logically it would generate a considerable risk of Soviet reprisal against the United States or the Eastern European populations to protect its position. In other words, the closer to liberation it came, the closer the risk of provoking war. Bohlen concluded that U.S. objectives could not be achieved without the removal of the Soviet regime, something that in 1952 was inconceivable by political warfare or any other means short of war. The United States must therefore adopt a genuine strategy of containment. This would entail building up the

west and relying on a “doctrine of rational hope” that the Soviet Union would over the long term sow the seeds of its own collapse.⁶⁶

As a result NSC 135/3 pulled back from the brink, cautioning that “we should not overestimate the effectiveness of the activities we can pursue within the Soviet orbit.” It did not definitively reject the offensive however, instead warning political warfare agitators to “proceed with caution and a careful weighing of the risks in pressing upon what the Kremlin probably regards as its vital interests.”⁶⁷ The accommodation of both poles of the foreign policy establishment exacerbated rather than mediated their differences.⁶⁸ The policy itself was therefore strategically contradictory and inconsistent.

The growing pessimism over US capabilities to influence the Soviet bloc was somewhat offset by the call for a more aggressive approach at a meeting of government officials and external consultants at Princeton in May 1952. At the conclusion of this meeting the participants declared that “it is a basic tenet of American policy that liberty shall be restored” to the Soviet bloc nations.⁶⁹ Reflecting the high proportion of Eisenhower devotees at the conference, the delegates declared that “the Government of the United States is guilty of negligence with respect to the peoples behind the Iron Curtain.”

The attempt at Princeton to elaborate on a more effective policy perpetuated the misguided notion that liberation could be achieved by peaceful means, without providing practical solutions. Harking back to the efforts of PSB, it was claimed that liberation could be achieved through a broad, all-encompassing political warfare campaign so long

as the “essence of political warfare” was adhered to that “it is planned and the means employed to carry it on are coordinated.” Urging that “a lesson in the importance of political warfare” must be learned, the conferees agreed that “we ourselves are free to engage in political warfare without fearing what we most intensely fear- that by so doing we shall unleash a third world war.”⁷⁰ This optimistic outlook jarred with the experience of American operators to date that Soviet domination over its sphere of influence was not susceptible to limited political warfare operations. A more aggressive political warfare programme hypothetically capable of retracting Soviet power would, by 1952, inevitably provoke a firm military response from Moscow to such a direct threat to its security. In practice, therefore, Princeton did not resolve the strategic dilemmas that had hampered the Truman government. Nor did they provide a ready resolution for the incoming Republic administration.

The Persistence of Strategic Flaws beyond the Truman Administration

Despite the rhetorical emphasis of the Eisenhower campaign on liberation during the 1952 presidential election, ambiguity over whether Washington favoured liberation or peaceful alternatives endured after 1953.⁷¹ The new administration was compelled to revisit the troublesome quandary of Soviet bloc policy that had dogged its predecessor. But once in office the Republicans also struggled to define a coherent strategy based on clear and realisable objectives.

At the organisational level, because PSB had been undercut by the State Department under Truman, in September 1953 the new administration established a replacement

coordinating body linking operations with policy.⁷² But the Operations Coordinating Board (OCB) did not move beyond its coordinating function to develop a strategic approach tying together the different elements of U.S. policy towards the Soviet bloc.

The re-evaluations of policy similarly fell short. Following Operation Solarium, Washington pursued a “New Look” for U.S. foreign policy. Yet in reality this emphasised a reliance on methods including sanctioning a place for nuclear weapons in U.S. foreign policy, without resolving the question of U.S. objectives in the Cold War.⁷³ The Eisenhower administration, like its predecessor, was indecisive when opportunities arose to adopt a more offensive strategy including Stalin’s death and the East German riots in 1953. Despite John Foster Dulles’s belligerent electioneering, under his watch the State Department consistently took a cautious line towards the Soviet bloc. Despite this, the aspiration remained to retract Soviet power. This meant that Washington continued to falter, as it had under Truman, in the middle ground between an offensive strategy of liberation and a defensive approach accepting co-existence with the Soviet Union. While the space for aggressive operations was not firmly sealed, at least until the Hungarian Revolution of 1956, neither were alternative policy options wholeheartedly pursued including negotiations to mediate Cold War divisions.⁷⁴

The violent upheaval upon the streets of Budapest in late 1956 made it clear once and for all that Soviet power would not be retracted from areas deemed vital by the Politburo

through the employment of limited U.S. political warfare operations alone. In the short term Washington preferred to avoid assessing whether U.S. goals in Eastern Europe had been strategically unrealisable for almost a decade. Instead it pondered the narrower issue of whether the “fine line” between rebellion and gradualist “passive resistance” demarcated by NSC 174 in December 1953 had been overstepped by American-directed political warfare operatives.⁷⁵ Whatever the extent of American responsibility for fanning the flames of revolution in Hungary, it had proved no easier to find a strategic solution to the pan-European dilemma than it had been to dispel America’s Cold War aspirations to bring Eastern Europe into the western fold. Time and again Washington failed “to turn principle into programme.”⁷⁶

Endnotes

¹ NSC 114/1 "Status and Timing of Current U.S. Programs for National Security," 8 August, 1951, *FRUS, National Security Affairs; Foreign Economic Policy, 1951*, Volume I (Washington, D.C.: United States Government Printing Office, 1979), 127-53.

² Wisner to Bedell Smith, "Interpretation of NSC 10/2 and Related Matters," 12 October 1952, Warner, *The CIA under Harry Truman*, Document 64, 347.

³ Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950-February 1953* (University Park: Pennsylvania State University Press, 1992), 77-9, 217-27, Bedell Smith to CIA Deputy Directors, "Organization of CIA Clandestine Services," 15 July, 1952, Warner, *The CIA under Harry Truman*, Document 79, 465-8.

⁴ Paul H. Nitze Oral History, HSTL, 244-5.

⁵ NSC 68, "United States Objectives and Programs for National Security," 14 April, 1950, *FRUS, National Security Affairs; Foreign Economic Policy, 1950*, Volume I (Washington, D.C.: United States Government Printing Office, 1977), 234-92.

⁶ W. Scott Lucas, *Freedom's War: The US Crusade against the Soviet Union 1945-1956* (Manchester: Manchester University Press, 1999), 87.

⁷ See Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992), 356, Gregory Mitrovich, *Undermining the Kremlin: America's Strategy to Subvert the Soviet Bloc, 1947-1956* (London; Ithaca: Cornell University Press, 2000), 57.

⁸ For instance see Sarah-Jane Corke, *US Covert Operations and Cold War Strategy: Truman, Secret Warfare and the CIA* (London: Routledge, 2008), 105-8, Mitrovich, *Undermining the Kremlin*, 47-59.

⁹ Paul H. Nitze, *From Hiroshima to Glasnost: At the Center of Decision: A Memoir* (London: Weidenfeld and Nicolson, 1990), 93-4.

¹⁰ Mitrovich, *Undermining the Kremlin*, 97.

¹¹ Lucas, *Freedom's War*, 78.

¹² Nitze, *From Hiroshima to Glasnost*, 94.

¹³ Acheson, *Present at the Creation: My Years in the State Department* (London: Hamilton, 1970), 374.

¹⁴ Lucas, *Freedom's War*, 67.

¹⁵ PPS 37/1 "Position to be taken by the United States at a CFM Meeting," 15 November, 1948, Nelson, *PPS Papers, 1948*, 339, 343, 367.

¹⁶ On general differences between Kennan on the one hand and Acheson and Nitze on the other, see Acheson, *Present at the Creation*, 346-9, Corke, *US Covert Operations*, 105-6, John Lamberton Harper, *American Visions of Europe: Franklin D. Roosevelt, George F. Kennan and Dean G. Acheson* (Cambridge: Cambridge University Press, 1994), 224-5, John Lukacs, *George Kennan: A Study of Character* (New Haven: Yale University Press, 2007), 81-2, David Mayers, *George F. Kennan and the Dilemmas of US Foreign Policy* (Oxford; New York: Oxford University Press, 1988), 159-60, Nitze, *From Hiroshima to*

Glasnost, 86-92, *idem.*, Oral History, HSTL, 210-19, Anders Stephanson, *Kennan and the Art of Foreign Policy* (London; Cambridge, Mass.: Harvard University Press, 1989), 149-51.

¹⁷ Nitze, *From Hiroshima to Glasnost*, 97-8.

¹⁸ Carolyn Woods Eisenberg, *Drawing the Line: The American Decision to Divide Germany, 1944-1949* (Cambridge: Cambridge University Press, 1996), 480-1.

¹⁹ PPS/37 "Policy Questions Concerning a Possible German Settlement," 12 August, 1948, Nelson, *PPS Papers, 1948*, 332.

²⁰ Michael Warner, "The CIA's Office of Policy Coordination: From NSC 10/2 to NSC 68," *Intelligence and Counter-Intelligence* 11, No. 2 (Summer 1998), 216.

²¹ Charles V. Hulick Memorandum for the Record, "Policy Guidance," 19 April, 1950, Warner, *The CIA under Harry Truman*, Document 58, 323.

²² Emphasis in original. Miller, "Office of Policy Coordination," 46-7.

²³ Charles V. Hulick Memorandum for the Record, "Policy Guidance," 19 April, 1950, Warner, *The CIA under Harry Truman*, Document 58, 323.

²⁴ Miller, "Office of Policy Coordination," 47, Mitrovich, *Undermining the Kremlin*, 58.

²⁵ OPC's budget expanded from \$4.7 million in 1949 to \$82 million in 1952, the number of overseas stations jumped from 7 to 47 and its total personnel level reached 2,812 plus 3,142 overseas contractors in 1952 compared to a 1949 level of just 302. Foreign and Military Intelligence, Book I, Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities (Washington: United States Government Printing Office, 1976), 106-7.

²⁶ *Ibid.*, 23, 145.

²⁷ For more on OPC's activities in the Far East from 1949 see Peter Grose, *Operation Rollback: America's Secret War Behind the Iron Curtain* (Boston: Houghton Mifflin, 2000), Rhodri Jeffreys-Jones, *The CIA and American Democracy* (London; New Haven: Yale University Press, 1989) and Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon & Schuster, 1995).

²⁸ Foreign and Military Intelligence, Book I, Final Report, 146-7.

²⁹ Mitrovich, *Undermining the Kremlin*, 56.

³⁰ John Prados, *Presidents' Secret Wars: CIA and Pentagon Covert Operations from World War II through Iranscam* (New York: W. Morrow, 1986), 81.

³¹ Walter L. Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961* (Basingstoke: Macmillan, 1997), 61.

³² For more on the creation of NCFE and the operation of RFE and RL see Grose, *Operation Rollback*, Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), Hixson, *Parting the Curtain*, Jeffreys-Jones, *The CIA and American Democracy*, Lucas, *Freedom's War*, Mitrovich, *Undermining the Kremlin*, Arch Puddington, *Broadcasting Freedom: The Cold War Triumph of Radio Free Europe and Radio Liberty* (Lexington: University Press of Kentucky, 2000), Christopher Simpson, *Blowback: America's Recruitment of Nazis and its Effects on the Cold War* (New York: Weidenfeld and Nicolson, 1988) and G. R. Urban, *Radio Free Europe and the Pursuit of Democracy: My War within the Cold War* (London; New Haven: Yale University Press, 1997).

³³ Also see Hixson, *Parting the Curtain*, Lucas, "Beyond Freedom, Beyond Control: Approaches to Culture and the State-Private Network in the Cold War," *Intelligence and National Security*, Vol. 18, No. 2 (2003), *idem*, *Freedom's War*, Frances Stonor Saunders, *Who Paid the Piper? The CIA and the Cultural Cold War* (London: Granta Books, 1999), Giles Scott-Smith, *The Politics of Apolitical Culture: The Congress for Cultural Freedom, the CIA and Postwar American Hegemony* (London: Routledge, 2002), *idem* "The 'Masterpieces of the Twentieth Century' Festival and the Congress for Cultural Freedom: Origins and Consolidation 1947-52," *Intelligence and National Security*, Vol. 15, No. 1 (Spring 2000), Michael Warner, "Origins of the Congress for Cultural Freedom, 1949-50," *Studies in Intelligence*, Vol. 38, No. 5 (1995), Hugh Wilford, "Playing the CIA's Tune? The *New Leader* and the Cultural Cold War," *Diplomatic History*, Vol. 27, No. 1 (January 2003).

³⁴ Foreign and Military Intelligence, Book I, Final Report, 145.

³⁵ See chapter 5.

³⁶ Bedell Smith's determination in 1950-1 to maintain a division between the intelligence and operations branches was predicated upon protecting the primary intelligence mission of the Agency from what he felt were the cavalier practices of Wisner's group, despite the efforts already underway by Dulles and Wisner to press for OSO-OPC integration.

³⁷ Wisner quoted in Thomas, *The Very Best Men*, 42. For more on the deeply-rooted antagonisms between OSO and OPC also see Richard Helms, Center for the Study of Intelligence, *The Origin and Development of the CIA in the Administration of Harry S. Truman* (Washington, D.C.: Center for the Study of Intelligence, 1995), 50, Richard Helms with William Hood, *A look Over My Shoulder: A Life in the Central Intelligence Agency* (New York: Random House, 2003), 114-5, Burton Hersh, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Schribner's, 1992), 213-4, Anne Karalekas, *History of the Central Intelligence Agency* in William Leary (ed.), *The Central Intelligence Agency: History and Documents* (University: University of Alabama Press, 1984), 48, Montague, *General Walter Bedell Smith*, 221-2, Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), 48-9, David F. Rudgers, *Creating the Secret State: The Origins of the Central Intelligence Agency, 1943-1947* (Lawrence: University Press of Kansas, 2000), 178-9, Robin W. Winks, *Cloak and Gown* (New York: William Morrow, 1987), 387.

³⁸ Montague, *General Walter Bedell Smith*, 204, Miller, "Office of Policy Coordination," 48.

³⁹ Bedell Smith to the NSC, "Report by the Director of Central Intelligence," 23 April, 1952.

⁴⁰ Warner, *The CIA under Harry Truman*, Document 78, 457-64, Montague, *General Walter Bedell Smith*, 213, 204, 208. The State Department too increasingly wanted to divorce political warfare from paramilitary warfare. See Barnes, "The Secret Cold War" Part II and Mitrovich, *Undermining the Kremlin*, 45, 200.

⁴¹ Montague, *General Walter Bedell Smith*, 209-10.

⁴² Montague, *General Walter Bedell Smith*, 210.

⁴³ NSC 10/5 "Scope and Pace of Covert Operations," 23 October, 1951, Warner, *The CIA under Harry Truman*, Document 73, 437-9.

⁴⁴ Nitze to Webb, 9 April, 1951, RG 59, PPS, Box 11A, NARA, Allan A. Needell, "'Truth Is Our Weapon': Project TROY, Political Warfare, and Government-Academic Relations in the National Security State," *Diplomatic History*, Vol. 17, No. 1 (Spring 1993), 415. It is ironic that the State Department commissioned Project TROY which directly influenced the future shape of PSB, considering the State Department's later opposition to PSB.

⁴⁵ Presidential Directive to the Secretary of State, the Secretary of Defense and the Director of Central Intelligence, 4 April, 1951, RG 59, PPS, Box 11A, NARA.

⁴⁶ Montague, *General Walter Bedell Smith*, 213-27. Although the infrastructure established by Bedell Smith was reappraised and swept away by President-elect Eisenhower by the Jackson Committee, a formal chain of command and approval procedure was established that remained in place beyond the Eisenhower administration. See Montague, *General Walter Bedell Smith*, 214, Foreign and Military Intelligence, Book I, Final Report, 50.

⁴⁷ Bureau of the Budget report "The Psychological Strategy Board: Selected Aspects of its Concept, Organization and Operations," 21 April, 1952, RG 59, PSB Working File, Box 1, NARA.

⁴⁸ Gordon Gray Oral History, HSTL.

⁴⁹ NSC 10/5 "Scope and Pace of Covert Operations," 23 October, 1951, Warner, *The CIA under Harry Truman*, Document 73, 437-9.

⁵⁰ Mitrovich, *Undermining the Kremlin*, 83-121.

⁵¹ PSB memorandum "National Psychological Strategy," 15 November, 1951. See also draft PSB memorandum "Psychological Strategy in the Ensuing Years," 2 November, 1951, RG 59, PPS, Box 11A, NARA.

⁵² Lucas, *Freedom's War*, 145. DCI Smith had also questioned the extent of U.S. support for counter-revolution in the Soviet satellite "slave states" in the May 1951 "Magnitude Paper." He argued that these operations would intrinsically be highly visible and therefore Washington's role could hardly be plausibly denied. He hoped that clarity on this issue would encourage the NSC to tone down OPC's political warfare activities. Although a high-level decision was never forthcoming, Smith took matters into his own hands establishing the "Murder Board" that reviewed and subsequently culled a large portion of Packet. See Montague, *General Walter Bedell Smith*, 209 and Mitrovich, *Undermining the Kremlin*, 114-6.

⁵³ Lucas, *Freedom's War*, 144-6.

⁵⁴ W. Scott Lucas, "The Myth of Leadership: Dwight Eisenhower and the Quest for Liberation", in Constantine Pagedas and Thomas Otte (eds.), *Personalities, War and Diplomacy* (1997), 162.

⁵⁵ C B Marshall to Nitze, "Psychological Strategy Board," 29 July, 1951, RG 59, PPS, Box 11A, NARA. Also see Nitze to Webb (untitled memorandum), 3 August, 1951, RG 59, PPS, Box 11A, NARA.

⁵⁶ C B Marshall to Nitze, "PSB Paper "To Formulate a National Psychological Strategy", dated November 15, 1951, copy 3," 19 November, 1951, RG 59, PPS, Box 11A, NARA.

⁵⁷ Nitze to Webb, (untitled memorandum), 3 August, 1951, RG 59, PPS, Box 11A, NARA. Also see W. Scott Lucas, "Campaigns of Truth: The Psychological Strategy Board and American Ideology, 1951-1953," *The International History Review*, Vol. 18, No. 2 (May 1996), 288, *Freedom's War*, 130-44, Montague, *General Walter Bedell Smith*, 204-6, 212-3.

⁵⁸ Bureau of the Budget report "The Psychological Strategy Board: Selected Aspects of its Concept, Organization and Operations," 21 April, 1952, RG 59, PSB Working File, Box 1, NARA.

⁵⁹ John H. Ferguson to David Bruce, "PSB Agenda Item, PSB D-30, Status Report on the National Psychological Effort and First Progress Report on the Psychological Strategy Board," 6 August, 1952, RG 59, PPS, Box 11A, NARA. Charles Marshall raised the same objection that had so frequently riled Kennan previously, that PSB attempts to draw up strategic plans were based on "the faulty assumptions that foreign policy objectives are measurable time scales like military objectives, and that a government can achieve

control of the factors that bear on its national situation in the same sense that a commander can control the factors that bear on a tactical situation.” According to Marshall, “indulgence in the belief that it is so is the source of trouble in the conduct of policy in general and in State-PSB relationships in particular.” C B Marshall to Nitze, “PSB Paper “To Formulate a National Psychological Strategy”, dated November 15, 1951, copy 3,” 19 November, 1951, RG 59, PPS, Box 11A, NARA

⁶⁰ Gordon Gray Oral History, HSTL.

⁶¹ PSB “Status Report on the National Psychological Effort and First Progress Report of the Psychological Strategy Board”, 1 August, 1952, *DDRS* (1992), 1715.

⁶² Thomas, *The Very Best Men*, 70-2.

⁶³ Grose, *Operation Rollback*, 188, Thomas Powers, *The Man who Kept the Secrets: Richard Helms and the CIA* (New York: Knopf, 1979), 45.

⁶⁴ Mitrovich, *Undermining the Kremlin*, 98.

⁶⁵ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 2005), 124.

⁶⁶ Mitrovich, *Undermining the Kremlin*, 83-101, Robert Bowie and Richard Immerman, *Waging Peace: How Eisenhower Shaped an Enduring Cold War Strategy* (New York; Oxford: Oxford University Press, 1998), 28-33.

⁶⁷ Mitrovich, *Undermining the Kremlin*, 98.

⁶⁸ Nitze was greatly vexed by the policy adjustment to incorporate Bohlen’s views and continued to assert that with the achievement of military preponderance the US would be able to roll back Soviet power as called for by NSC 20/4 and NSC 68. Under NSC 135/3 he felt the US would become “a sort of hedge-hog, unattractive to attack, but basically not very worrisome over a period of time beyond our immediate position.” Nitze to Acheson “Re-examination of United States Programs for National Security,” 12 January, 1953, *FRUS, National Security Affairs, 1952-1954*, Volume II, 204.

⁶⁹ Princeton, New Jersey “Draft #3,” 11 May, 1952, RG 59, Bohlen Papers, Box 8, NARA. Also see Lucas, *Freedom’s War*, 152-4.

⁷⁰ Untitled document (guest list and background material for the Princeton Meeting, May 1952), RG 59, Bohlen Papers, Box 8, NARA.

⁷¹ Prospective Secretary of State John Foster Dulles in particular took up the cause with a grand mantra to overturn Truman’s “negative, futile and immoral” and “treadmill policies” in Eastern Europe and the Far East. There were immediate signs that the issue was being fudged with a conflation of liberation and peaceful alternatives. Concerned by his belligerent tone, Eisenhower insisted that Foster Dulles should moderate his statements by emphasising that the United States would pursue “all peaceful means” of liberating the Soviet bloc. Dulles obligingly assured the American electorate that the Republicans would replace current efforts with a “more dynamic foreign policy which, by peaceful means, will endeavor to bring about the liberation of the enslaved peoples.” John Foster Dulles, “A Policy of Boldness,” *Life* (19 May, 1952), Lucas, “The Myth of Leadership,” 162, Bennet Kovrig, *Of Walls and Bridges: The United States and Eastern Europe* (London; New York: New York University Press, 1991), 48.

⁷² The Operations Coordinating Board was established in September 1953 by Executive Order 10483 following the recommendations of the Jackson Committee that PSB should be replaced.

⁷³ NSC 162/2 "Statement of Policy by the National Security Council on Basic National Security Policy", 30 October, 1953, *FRUS, National Security Affairs, 1952-1954*, Volume II (Washington, D.C.: United States Government Printing Office, 1984), 577-597.

⁷⁴ Much of the Eisenhower administration's rhetoric concentrated on winning the worldwide public relations battle against the Soviet Union rather than on genuinely attempting to broker peace deals with it. The highest profile initiatives were "A Chance for Peace," "Atoms for Peace" and "Open Skies." For more on these speeches as components of the psychological warfare campaign, see Walter L. Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961* (Basingstoke: Macmillan, 1997), Michael J. Hogan, "Eisenhower and Open Skies: A Case in 'Psychological Warfare'," Martin J. Medhurst (ed.), *Eisenhower's War of Words: Rhetoric and Leadership* (East Lansing, Michigan, 1994), Lucas, *Freedom's War* and "The Myth of Leadership," Mitrovich, *Undermining the Kremlin*, and Kenneth A. Osgood, "Form Before Substance: Eisenhower's Commitment to Psychological Warfare and Negotiations with the Enemy", *Diplomatic History* 24, (Summer 2000). For alternative views that accepted Eisenhower's peace-gestures at face value see Stephen E. Ambrose, *Eisenhower: The President*, Volume Two 1952-1969, (London: Allen & Unwin, 1984) and Bowie and Immerman, *Waging Peace*.

⁷⁵ NSC 174 "United States Policy Toward the Soviet Satellites in Eastern Europe," 11 December, 1953, Christian F. Ostermann and Malcolm Byrne (eds.), *Uprising in East Germany, 1953* (Budapest, 2001), 392-406.

Unsurprisingly perhaps, Allen Dulles, who for almost four years had been Director of Central Intelligence, absolved CIA of any culpability for stirring up the Hungarian Revolution: "The chronology and nature of events in Hungary and the statements of the Hungarian Government itself prior to its overthrow make it clear that the uprising resulted from ten years of Soviet repression and was finally sparked by the shooting on 23 October of peaceful demonstrators, and did not result from any external influence, such as RFE broadcasts or Free Europe leaflets." Memorandum from DCI Dulles to Eisenhower, 20 November, 1956, *FRUS, Eastern Europe, 1955-1957*, Volume XXV (Washington D.C.: United States Government Printing Office, 1990), 473-475.

The Bruce-Lovett report was less certain about the consequences U.S. actions: "The supporters of the 1948 decision to launch this government on a positive [psychological and political warfare] program could not possibly have foreseen the ramifications of the operations which have resulted from it [...] Should not someone, somewhere, in an authoritative position in our government, on a continuing basis, be counting the immediate costs of disappointments, [...] calculating the impacts on our international position, and keeping in mind the long range wisdom of activities which have entailed our virtual abandonment of the international "golden rule," and which, if successful to the degree claimed for them, are responsible in a great measure for stirring up the turmoil and raising the doubts about us that exist in many countries of the world today? What of the effects on our present alliances? What will happen tomorrow?" Although still classified, The Bruce-Lovett report investigating CIA and clandestine anti-communist operations was noted in detail in Robert F. Kennedy's personal files. See Grose, *Operation Rollback*, 219.

⁷⁶ Lucas, "The Myth of Leadership," 180.

CONCLUSION

At the outset of the Cold War U.S. national security strategy overwhelmingly focussed on Western Europe. However, questions remained over the approach and objectives of that strategy. For example the European Recovery Program is generally considered by historians as the defensive mainstay of the American approach from 1947-48. ERP built up Western Europe by contributing to its recovery and containing Soviet expansion. But it is possible to read the Marshall Plan in a much wider sense. Not only was it an economic and political initiative to shore up Western Europe. It also played a key part in a nascent political warfare approach to the continent.

Cold War antagonisms between east and west were confirmed- but not caused- by ERP and the subsequent consolidation of positions of strength on each side of the iron curtain. But just as importantly, the Marshall Plan very quickly became part of a wider debate among senior and working level policymakers over how Washington should prosecute the Cold War.

Initially the Truman administration focussed on the mechanics for waging the Cold War, with the creation of the National Security State and approval of NSC 4-A and NSC 10/2. On the surface, the adoption of NSC 10/2 apparently resolved bureaucratic disputes. It authorised the machinery for American agencies to implement political and economic measures as well as a covert political warfare arm. But although NSC 10/2 attempted to determine the mechanics of the implementation of foreign policy, it did not settle the

question of strategic aims. While political warfare complimented the implementation of the strategic approach to Western Europe through ECA, the machinery was established prior to a strategic resolution over the American approach towards the other part of Europe.

Thus by mid-1948 the political warfare machinery was established to potentially link the American approach to Europe on a unified basis. But U.S. policymakers never fully developed that connection as the strategic approach to Europe diverged between east and west. From early 1948 an enclave strategy was explored by the State Department's Policy Planning Staff based on the utilisation of a political warfare capability, but strategic aims were left ambiguous. The incipient strategic approach put forward by PPS proved ineffective as it was increasingly undercut by the main thrust of U.S. policy heavily favouring Western Europe and containment.

The Truman administration at large therefore failed to move significantly beyond the *aspiration* of liberating the Soviet bloc from communist influence. "Grand strategy" disseminated in policy papers such as NSC 20/4 and NSC 68 was ambiguous and broad, serving no practical strategic use to the Office of Policy Coordination and other operational agencies. Specific strategic planning also broke down when implemented as "rollback" activities against communist regimes in Eastern Europe.

Yugoslavia's expulsion from the Cominform in 1948 offered new hope that the peaceful retraction of Soviet power, as called for by NSC 20/4 and NSC 68, was possible. But the

Tito-Stalin rift made no impression on the viability of modifying Soviet power elsewhere in Eastern Europe by measures short of war. Only gradually did the administration acknowledge that American strategic aims would not be served by fostering “Titoism” and nationalist “communist heresies” amongst the eastern bloc states at that time.

The lack of a unified strategic framework for U.S. policy in Europe riddled its Eastern European approach with contradictions from the late 1940s. Policymakers unanimously agreed that the United States should avoid a direct war with Russia unless to protect vital interests. Policy statements of the period increasingly recognised the fundamental importance of Eastern Europe to the Soviet Union, contrasted with its marginal strategic value to the United States. Yet sections of the government continued to press for the liberation of the region, despite the inevitable need to resort to war to achieve this goal. Strategic disorder prevailed over any development of a coherent design for peacefully retracting Soviet power.

The strategic vacuum was filled by the operational arm of the government and in particular OPC. Washington sanctioned political warfare capabilities that allowed OPC to exceed cautious policy guidelines in the absence of a clear strategic mandate. Frank Wisner’s organisation took matters into its own hands and rapidly emerged as a *de facto* policy-making body through its pursuit of operations in the field. The failure to harness these activities to a viable strategy undermined them from the outset.

No decisive strategic overhaul occurred for the remainder of the Truman administration, despite efforts by the Psychological Strategy Board to address the issue. As a result, from the late 1940s U.S. political warfare operations conducted against the Soviet bloc were intrinsically incoherent and strategically futile. The lack of a reassessment also undercut a commitment to seek out alternative courses to mediate relations with the Soviet Union, including diplomatic initiatives such as Program A to unify Germany.

This legacy was passed on to the incoming Republican administration under President Eisenhower. Despite a rhetorical commitment to liberate the Soviet bloc it also struggled to reconcile American geopolitical impotence and offensive aspirations. Over the longer term, once this course had been proven untenable by the Hungarian Revolution in 1956, U.S. regional policy towards Eastern Europe was placed more firmly on an “evolutionary” rather than a “revolutionary” footing. By the 1970s the explicit aim of *détente* and *ostpolitik* was to soften communism rather than to defeat it.

The formation of the U.S. National Security State in the late 1940s was in many ways unprecedented, in terms of expanding the machinery of American foreign policy to underpin a worldwide involvement. But the global scope of American policy did not automatically stimulate a sound and consistent framework linking together operations, organisation and strategy. Valuable lessons from the American experience in Europe in the early Cold War can therefore be learned.

The political warfare capability developed primarily to target the Soviet bloc at the outset of the Cold War was subsequently available for employment beyond the borders of Cold War Europe. Executive branch officials have repeatedly sanctioned “covert” political warfare interventions ever since in countries as diverse as Iran, Guatemala, the Philippines, Cuba and countless other places. In hindsight it is difficult to claim that the vast majority of these actions have produced anything but overwhelmingly negative results. It therefore remains pertinent for historians to examine the Agency’s expansion in light of the strategic incoherence that accompanied its “golden age.”

Indeed, American policy-makers continue to face a more pertinent dilemma beyond the ideological challenge to validate American superiority over perceived adversaries long after the end of the Cold War. More important still is the persistent challenge to define a clear approach that supports Washington’s global aspirations.

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