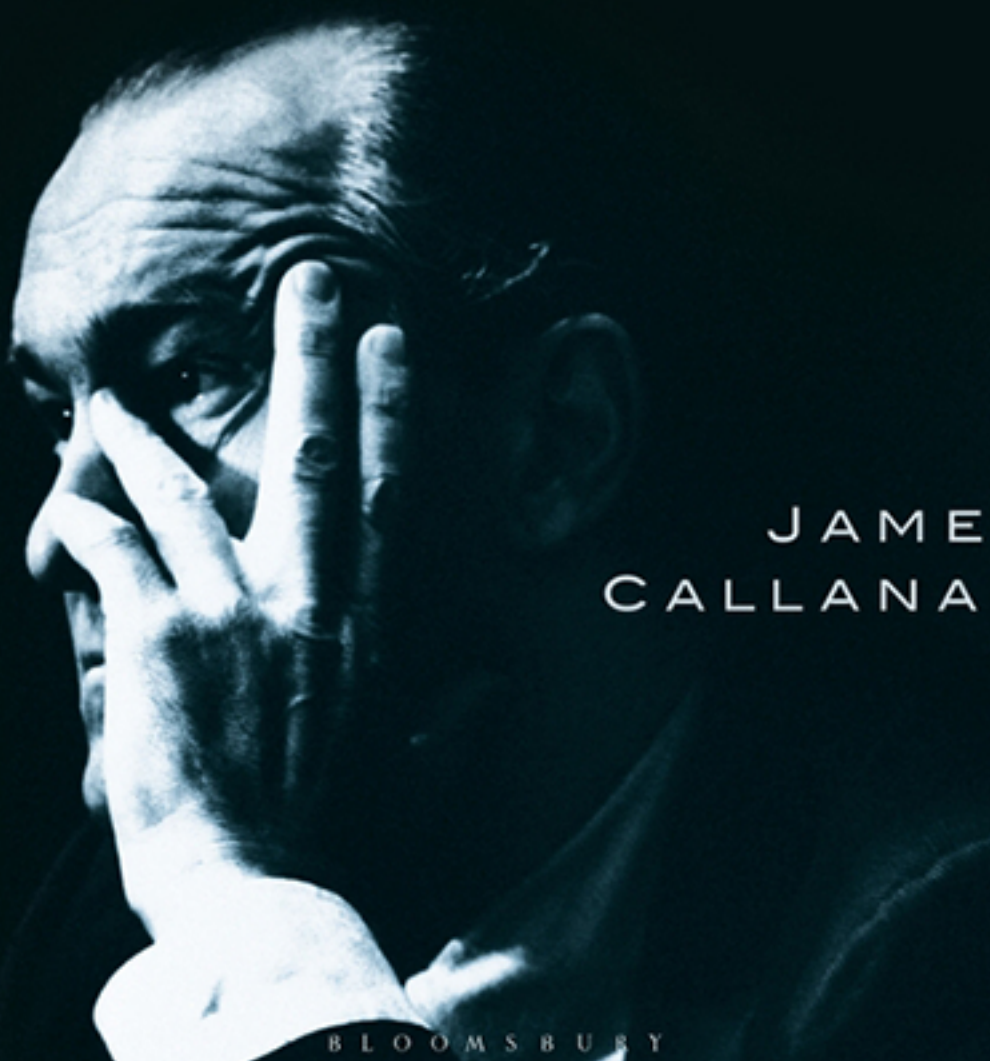


# COVERT ACTION IN THE COLD WAR

US POLICY, INTELLIGENCE  
AND CIA OPERATIONS



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CALLANAN

BLOOMSBURY

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*To the pioneers of America's cold war intelligence community,  
whose exploits made this book possible.*



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# ABBREVIATIONS

ACP	Albanian Communist Party
ADDP	Assistant Deputy Director of Plans
ADPC	Assistant Director of Policy Coordination
AEC	Atomic Energy Commission
AFL	American Federation of Labor
AID	Agency for International Development
AIOC	Anglo-Iranian Oil Company
Aramco	Arabian American Oil Company
CAT	Civil Air Transport
CCF	Congress of Cultural Freedom
CEF	Cuban Expeditionary Force
CENTO	Central Treaty Organisation
CFR	Council on Foreign Relations
CGIL	<i>Confederazione Generale Italiana del Lavoro</i>
CIA	Central Intelligence Agency
CIC	Counter Intelligence Corps of the Army
CIG	Central Intelligence Group
CIO	Congress of Industrial Organisations
CTV	Confederation of Venezuelan Workers
DC	Christian Democratic Party (Italy)
DCI	Director of Central Intelligence
DDA	Deputy Directorate for Administration Deputy Director of Administration
DDCI	Deputy Director of Central Intelligence
DDI	Deputy Directorate for Intelligence Deputy Director of Intelligence
DDP	Deputy Directorate for Plans
DDS&T	Deputy Directorate for Science and Technology Deputy Director of Science and Technology

DP	Displaced Person
DPD	Development Projects Division
DSB	Department of State Bulletin
ECA	Economic Cooperation Administration
EDES	Greek Democratic League
ELINT	electronic intelligence
ERP	European recovery Program or Marshall Plan
FBI	Federal Bureau of Investigation
FEC G-2	Far East Command Intelligence Directorate (United States Army)
FRD	<i>Frente Revolucionario Democrático</i> (Cuban exile movement)
FRUS	Papers Relating to the Foreign Relations of the United States
FTUC	Free Trade Union Committee
GOP	Grand Old Party (Republican Party)
GRU	Soviet Military Intelligence
HUAC	House Committee on Un-American Activities
HUMINT	intelligence derived from human sources
IALC	Italian-American Labor Council
IBRD	International Bank of Reconstruction and Development
ICBM	intercontinental ballistic missile
ILGWU	International Ladies Garment Workers Union
INR	State Department Bureau of Intelligence and Research
IOD	CIA's International Organisations Division
IRBM	intermediate-range ballistic missile
IRCA	International Railways of Central America
IRD	MI6's Information Research Department
JCS	Joint Chiefs of Staff
KGB	Soviet Committee of State Security (internal security/foreign intelligence)
KKE	Greek Communist Party
KLO	Korean Labour Organisation
L-G	Far East Command Liaison Group (United States Army)
MGB	Soviet Ministry of State Security (predecessor to KGB)
MIT	Massachusetts Institute of Technology
MI5	British Security Service
MI6/SIS	British Secret Intelligence Service
M-26-7	26th of July Movement (Cuba)
NATO	North Atlantic Treaty Organisation
NCR	National Cash Register
NIA	National Intelligence Authority
NIE	National Intelligence Estimate
NIPE	National Intelligence Programs Evaluation

NKVD	People's Commissariat for Internal Affairs (predecessor to KGB)
NSA	National Security Agency
NSAM	National Security Action Memorandum
NSC	National Security Council
NSCID	National Security Council Intelligence Directive
NTS	National Labour Alliance (Russia)
OAS	Organisation of American States
OCB	Operations Coordinating Board
OCI	Overseas Consultants Incorporated
ONE	Office of National Estimates
OPC	Office of Policy Coordination
ORE	Office of Research and Evaluation
OSIA	Order Sons of Italy in America
OSO	Office of Special Operations
OSS	Office of Strategic Services
OUN	Organisation of Ukrainian Nationalists
PAR	Party of Revolutionary Action (Guatemala)
PBCFIA	President's Board of Consultants on Foreign Intelligence Activities
PBFIA	President's Foreign Intelligence Advisory Board
PCF	French Communist Party
PCI	Italian Communist Party
PERMESTA	Charter of Inclusive Struggle (Indonesia)
PGT	Guatemalan Communist Party
PKI	Indonesian Communist Party
PLA	People's Liberation Army (China)
PLI	Italian Liberal Party
PPS	Policy Planning Staff
PRC	People's Republic of China
PSB	Psychological Strategy Board
PSI	Italian Socialist Party
PSIUP	Italian Socialist Party of Proletarian Unity
PSLI	Italian Socialist Labour Party (Social Democrats)
PSP	Cuban Communist Party
RFE	Radio Free Europe
SAC	United States Air Force, Strategic Air Command
SANACC	State-Army-Navy Coordinating Committee
SEATO	Southeast Asia Treaty Organisation
SIGINT	signals intelligence
SOE	British Special Operations Executive
SPG	Special Procedures Group
SSU	Strategic Services Unit

SWNCC	State-War-Navy Coordinating Committee
UFCO	United Fruit Company
UN	United Nations
UNRRA	United Nations Relief and Rehabilitation Administration
USIA	United States Information Agency
WEI	Western Enterprises Incorporated
WEU	Western European Union
WiN	Freedom and Independence Movement (Poland)
X2	Counterintelligence Branch (OSS)

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# INTRODUCTION

On 4 May 1948 the American State Department's Policy Planning Staff (PPS) declared "it would seem that the time is now fully ripe for the creation of a political warfare operations directorate within the Government".<sup>1</sup> The United States had in fact engaged in limited though resolute action of the kind suggested for several months prior to this point in support of the economic measures introduced by the Truman administration to help rebuild a war-torn Western Europe. The PPS recommendation was, nevertheless, a clarion call for Washington to mount a full-scale clandestine crusade that was spearheaded by the Central Intelligence Agency (CIA) and targeted primarily, though not exclusively, on the communist world in general and on the interests of the Soviet Union in particular. Though it was to continue for forty years, this secret war proved to be at its most fluid, risk-laden and tumultuous during the period that spanned the onset of the Cold War through to the Vietnam War. It is to these formative and uncertain years that this book addresses itself, telling the story of how, in its efforts to advance American foreign and defence policy, the CIA forged a covert action mission of eclectic and global proportions: one that spared little or no expense, and one that met with at least as many failures and tragedies as it did successes.

The United States' Senate Select Committee on Intelligence Activities defined covert action as "any clandestine operation or activity designed to influence foreign governments, organisations, persons, or events in support of American foreign policy".<sup>2</sup> This provides only a very broad outline, however, of the activities undertaken by the CIA's operations directorate, the mission of which is more accurately described as having encompassed four basic, often interconnecting categories: (1) propaganda and psychological warfare; (2) political operations such as supporting democratic parties and labour unions in friendly countries; (3) economic operations; and (4) paramilitary action, which includes counterinsurgency and assassination programmes.<sup>3</sup>

The demand for the agency to perform such functions first manifested itself in late 1947, when the Special Procedures Group (SPG) was assembled hurriedly within the CIA to counter the political challenge posed by the Italian communist-socialist Popular Front in the run-up to that country's elections in April 1948.

Though the SPG's campaign proved successful, responsibility for American covert action was subsequently placed under the control of an entirely new and anomalous instrumentality – the Office of Policy Coordination (OPC).<sup>4</sup> Established on 1 September 1948 and attached to the CIA for only the distribution of “quarters and rations”, the OPC functioned as an autonomous entity. It drew on the personnel and support of the wider Washington bureaucracy in the execution of its mission, and its director, Frank G. Wisner, was a State Department appointee.<sup>5</sup>

Escalating superpower tensions and the Korean War provided the impetus for an enormous growth in the OPC's budget and resources over the next three years.<sup>6</sup> Continual conflict between Wisner's organisation and the CIA's intelligence gathering component, the Office of Special Operations (OSO), however, led the OPC to be integrated fully into the agency and merged with the OSO. This process was completed in August 1952 with the creation of the Deputy Directorate for Plans (DDP), which remained responsible for espionage, counterintelligence, and covert action throughout the Eisenhower and Kennedy presidencies.<sup>7</sup>

The rationale and justification for OPC/DDP covert action was defined clearly. The Soviet Union was seen as an expansionist power with designs on global domination, and Washington assumed the right to intervene with whatever measures were necessary to contain the threat and protect American strategic, political, or economic interests whenever and wherever they were deemed to be in jeopardy. The Cold War was, moreover, as much about perceptions as reality. In this context, it was imperative for the United States to not only secure and retain the upper hand against the Soviet Union, but also to be *seen* to do so and in many instances covert action provided the most appropriate means for the achievement of this goal.

Clandestine operations were, moreover, justified by Washington on the grounds that the Soviet Union had developed, refined, and continued to deploy the most effective political and covert warfare capacity in history.<sup>8</sup> It was therefore incumbent on the United States to fight fire with fire. This atmosphere was conducive to the expansion of covert action, which was essentially a political instrument of containment: a ‘third’ or ‘silent’ option that went beyond traditional diplomacy but fell short of precipitating war and the nuclear conflagration such an outcome implied.<sup>9</sup> The DDP's mission thus evolved into a multifaceted, widely dispersed one, which reached an all-time high in terms of the volume of operations undertaken during the mid 1960s, when the agency was called upon to mount a major clandestine action campaign in support of the overall war effort in Vietnam.

The emergence of the CIA as a key instrument of government led Sherman Kent, the head of the agency's Board of National Estimates, to maintain in 1955 that, though intelligence had evolved into “an exciting and highly skilled profession” and more importantly a discipline, it lacked a literature. While this remained the case, he added, the method, vocabulary, body of doctrine, and fundamental theory that governed and informed the CIA's increasingly diverse

mission ran the risk of never reaching full maturity.<sup>10</sup> Kent's concerns were addressed originally to the intelligence professionals who were privy to the pages of the CIA's internal journal, *Studies in Intelligence*. Over the past thirty years, however, a great deal of information that was once the preserve of the intelligence community has entered the public domain, and has enabled those outside of that exclusive world to attempt to respond to Kent's call.

While in the sphere of intelligence collection and evaluation his challenge has largely been met, the "rigorous definition of terms" that he deemed to be essential if the significance of the CIA's accomplishments and its failures were to be properly measured has been less than comprehensive in the field of covert operations.<sup>11</sup> The received wisdom in this respect is best exemplified by Roy Godson. In characterising CIA covert action as a "double-edged sword" aimed at meeting the two goals of "containing the spread of Communism in the non-Communist world" and of "weakening Communist regimes on their own terrain", Godson identifies a two-way division of the OPC/DDP's mission between defensive and offensive operations.<sup>12</sup>

Instructive as this treatment is, it falls short of meeting Kent's criteria. In serving Washington's policy objectives, the CIA engaged in not two but three basic types of clandestine operation, each of which called on the agency to utilise the full roster of resources and techniques at its disposal. The first of these was *defensive covert action*, which was aimed at countering communist efforts to attack or undermine governments and societies that were allied to the United States. The bolstering of anticommunist political parties in Western Europe from the late 1940s onwards is an example of this type of action, as is the paramilitary and psychological warfare campaign through which the agency helped to defeat a communist insurgency in the Philippines between 1950 and 1954.

The converse and second mode of operation was *offensive covert action*. This was focused on destabilising, and in the more extreme cases removing, communist regimes that lay within, or, in the case of Cuba, were allied to, the Sino-Soviet bloc. That such measures first came into force between 1948 and 1956, calls into question the claim made by President Harry S. Truman after he had left office, that in first establishing the CIA he did not envisage it as engaging in operations such as that which was mounted against Fidel Castro at the Bay of Pigs.<sup>13</sup> Indeed, NSC 68, the top secret reappraisal of American foreign and defence policy issued by the Truman administration in April 1950, called specifically for the covert subversion of communist regimes.<sup>14</sup> This directive came into force on the eve of the Korean War. Thus, the resulting clandestine offensives mounted in Eastern Europe, Korea and China were, given that the Truman administration believed that it faced a Soviet-controlled communist monolith, effectively sanctioned under wartime conditions. OPC offensive operations had, however, been authorised by Washington prior to this point: against the Ukraine, the Baltic States, and Russia's Eastern European satellites, notably Albania, during the late 1940s, and they continued to be deployed throughout the 'captive nations' until the Hungarian

uprising of 1956.<sup>15</sup> Offensive covert action was, however, used most extensively by the Kennedy administration against revolutionary Cuba and later as a complement to the wider war effort in Vietnam.

The third category of operation is best described as *preventive covert action*. Aimed at impeding and where possible neutralising the potential for Moscow to extend its control to developing countries that were aligned with neither superpower, enterprises of this kind came to prominence as a consequence of three basic factors. Prime among these was the geographical expansion of the Cold War from the Far East to the third world, which resulted from Stalin's death in March 1953 and the succession of a new Russian leadership that sought to advance Soviet influence in the developing world after the termination of hostilities in Korea.

If the need for the United States to respond to this challenge brought preventive covert action to the fore, then so too did Dwight D. Eisenhower's accession to the presidency. Though Truman had been prepared to authorise offensive measures against existing communist regimes, he wavered when it came to sanctioning action against democratically-elected governments. He did, it is true, approve Operation PBFORTUNE, a project aimed at unseating Jacobo Arbenz Guzmán's regime in Guatemala during 1952, but caved in quickly to pressure from his Secretary of State Dean Acheson and cancelled the enterprise before it got past its planning stages.<sup>16</sup> Eisenhower was, by contrast, less cautious in his calculation of risk and less concerned about ethical implications than his predecessor had been when authorising covert action, as Operation TPAJAX, which brought about the removal of the Iranian Prime Minister, Muhammad Musaddiq from power in August 1953, illustrates.<sup>17</sup> There was, as well, the point that Eisenhower's long and unique military career caused him to be well disposed towards the frequent deployment of the DDP.<sup>18</sup>

What none of the literature dealing with the agency stresses, however, is the extent to which wider strategic imperatives were key to Eisenhower's management of clandestine operations. John Lewis Gaddis has pointed out that Eisenhower's foreign and defence policy, the New Look, centred on the United States making asymmetrical responses. This, in brief, meant that Washington would respond to aggression emanating from what continued to be portrayed as a Soviet-controlled monolith, by applying western strengths against communist weaknesses, to the extent of changing the nature and shifting the location of any given cold war confrontation.<sup>19</sup> Thus, rather than countering an attack by the Red Army on Turkey with conventional military means on Turkish soil, for example, the United States would, at least in theory, respond by launching a nuclear attack on the Baku oil fields: the reasoning being that while the Soviet Union enjoyed an advantage over the United States in terms of land-based conventional military strength, America's airpower and nuclear capabilities were vastly superior to their Russian counterparts.

When looked at in the context of the asymmetry that was central to the New Look, Eisenhower's deployment of covert action takes on an entirely new

complexion. The Iran coup, for example, was launched at a time when the Soviets were preoccupied suppressing riots in the Russian sector of Berlin and East Germany, and while a power struggle ensued in the Kremlin following Stalin's death. Likewise, Operation PBSUCCESS, through which the CIA brought about the removal of a Guatemalan government that was led by Arbenz and depicted by Eisenhower as Marxist, took place at the same time as the 1954 Geneva Conference on Indochina. Looked at from an asymmetrical perspective, then, PBSUCCESS was a counterattack, which drew attention away from the fact that the West had suffered a major ideological setback with the defeat of the French at Dien Bien Phu, the partition of Indochina, and the creation of a communist regime in North Vietnam.

The third major catalyst to influence the rise to prominence of preventive operations and indeed covert action generally between 1953 and 1961 related to organisational changes inside of the CIA itself. In essence, Eisenhower had a better resourced and more efficiently organised agency at his disposal than had Truman, for it was not until 1953 that the CIA "achieved the basic structure and scale which it retained for the next twenty years".<sup>20</sup> The appointment of Allen W. Dulles as Director of Central Intelligence (DCI) during the same year, moreover, brought the CIA under the leadership of a man who was a more vociferous advocate of clandestine operations than any of his predecessors had been.

The first civilian DCI, Dulles sought to utilise covert action in a manner that would bring fast, relatively cheap, and desirable outcomes to pressing foreign policy issues and so establish a strong reputation for the CIA within the Washington bureaucracy. In pursuit of this approach, Dulles refocused the DDP's efforts away from offensive operations against the Soviet bloc, which had proved largely fruitless, and towards preventive ventures in the third world, where he and his colleagues believed that successes could be more easily achieved. As the brother of Eisenhower's Secretary of State, John Foster Dulles, moreover, the DCI had unprecedented access to a president who, as has been mentioned, was already convinced of the efficacy of covert action. Taken together, these factors enabled Allen Dulles to short-circuit authorisation procedures, which in turn helped to create an internal dynamic inside of the DDP for the development of clandestine action programmes.<sup>21</sup>

The proliferation of covert operations that resulted secured fast, dramatic 'victories' for the agency in Iran in 1953 and Guatemala in 1954, and proved instrumental in establishing the Eisenhower years as the 'golden age' of operations. The downside was that such 'successes', provided only temporary solutions to complex problems that had a habit of rebounding on the United States over the longer term, as was the case with the rise of Ayatollah Ruholla Khomeini twenty-five years after the ouster of Musaddiq. Enterprises such as TPAJAX and PBSUCCESS also forewarned future targets of the agency of the potential for similar action to be attempted in their countries.<sup>22</sup> Thus, when the DDP deployed

the Guatemala model in Indonesia during 1958, and again in Cuba at the Bay of Pigs in 1961, the results were entirely negative.

\*            \*            \*

If the three-way distinction that separated the basic types of CIA covert action has not been fully explored in existing studies, then neither has the tendency for the agency to anticipate government policy and initiate operations ahead of being given official sanction for such moves. This is not to say that the CIA acted routinely as a rogue elephant.<sup>23</sup> There were, however, several instances in which it second-guessed Washington's medium to longer-term intentions and requirements and acted accordingly, especially in Western Europe, where American intelligence operatives such as James Jesus Angleton were prescient in recognising the scale of the challenge posed by communism and worked continuously to counter the threat between 1945 and 1947.<sup>24</sup> Such moves enhanced the agency's capacity to engage in larger-scale defensive covert action when Washington gave official approval for its deployment ahead of the Italian elections of April 1948.

A similar anticipatory tendency held true in respect of offensive operations. The SPG drew up plans to penetrate the Eastern bloc utilising psychological warfare techniques and radio propaganda before Washington created the OPC and gave official blessing for the United States to go on to the offensive behind the Iron Curtain.<sup>25</sup> The agency was also ahead of the game in the case of preventive covert action, which came to prominence between 1953 and 1961, but which was deployed in Syria during 1949, when the OPC is said to have participated in two coups d'état to remove leftist governments from power, and again in July 1952, when the DDP assisted in the ouster of King Farouk of Egypt;<sup>26</sup> before the shift in focus of the Cold War to the third world and the accession of Eisenhower to the presidency.

Of additional and significant impact on the evolution of covert action during this period were domestic political developments. Particularly catalytic in this respect was Senator Joseph McCarthy's anticommunist crusade of the early 1950s. Demagogic red baiting of the kind favoured by the Wisconsin senator, in essence, precluded Truman from seeking a negotiated settlement with Beijing to end the hostilities in Korea. Such moves would, in effect, have invited charges of treachery and further damaged a Democratic Party that was already on the defensive as a result of McCarthy's efforts. The Korean conflict consequently became something of a stalemate by mid 1951, with the protagonists confronting each other on or around the thirty-eighth parallel. Under such conditions, CIA covert action offered a possible means of breaking the deadlock to the advantage of the United States without the adoption of a policy of full-scale rollback, which Truman regarded as carrying unacceptable risks since it greatly increased the prospect of a third world war. Washington thus provided for a huge increase in the OPC's mission from mid 1951 onwards significantly bolstering its resources and expanding its operational latitude.<sup>27</sup>

The McCarthyite witch-hunt also influenced Eisenhower's utilisation of the CIA. The Guatemala coup was, for instance, conveniently timed, since it coincided with the president's deployment of what Fred I. Greenstein describes as "hidden hand" tactics to expose serious defects in McCarthy's character.<sup>28</sup> Operation PBSUCCESS demonstrated to political insiders, the press, and the informed public that while the Wisconsin senator was busy making bogus and groundless claims against the United States Army, Eisenhower was focused on the real job of combating communism. This in turn assisted the president in his drive to seriously undermine the senator and thereby unite the Republican Party in advance of the 1954 congressional elections.

Kennedy too was alert to domestic considerations when authorising covert action. The strident anti-Castro rhetoric that became a feature of Kennedy's 1960 election campaign was a major factor in influencing him to approve the Bay of Pigs operation. The president was in fact never entirely convinced of the feasibility of this venture, though it should be stressed that he was not aware of how fundamentally flawed it actually was. To have cancelled the enterprise, however, would have attracted Republican charges of back-peddalling and hypocrisy after Kennedy's hawkish campaign pronouncements, and this consideration went a significant way towards influencing him to authorise Bay of Pigs operation.

The failure of the Bay of Pigs venture – code-named JMARC – was a defining moment in the CIA's history and debate still continues over whether this debacle was the fault of the agency or its political masters.<sup>29</sup> The key point, however, is that neither the White House nor the CIA learned from the mistakes of JMARC. Consequently, Kennedy continued to deploy covert action in the hope of removing the Castro regime from power, when the only feasible options open to the United States president were to either accept the existence of a communist state ninety miles from the American mainland, or mount a full-scale military invasion of Cuba to eradicate the threat. More than any other target of the CIA's attentions, then, it was Cuba that best defined the limits of what could and, more pertinently, what could not be achieved through the use of clandestine action.

\* \* \*

As much as this book centres on CIA covert operations, it is also an exploration of the broader policy objectives they were designed to serve, for it is only through a full understanding of policy that the arcane environment in which the agency plied its trade can be properly comprehended. The United States never adopted a static position in the cut and thrust of the early Cold War, however. American policy evolved according to real and perceived changes in the nature of the communist threat. Consequently, the years 1945 to 1963 saw significant revisions in foreign and defence policy, and this held true within as well as between administrations.

Truman's conception of what was required to counter the Soviet Union, its allies, and its proxies stands as a case in point. His position changed fundamentally in response to the unexpected Russian entry into the nuclear club in 1949 and the



'loss' of China during the same year. The result was that the period 1950 to 1953 bore witness to a more robust and militarist, not to mention expensive, adaptation of containment than had held sway during the first four years of Truman's presidency. Increased emphasis on the deployment of coercion in Washington's dealings with Moscow had been anticipated during the Berlin blockade and spelt out in NSC 20/4, the directive that outlined the need for a clandestine offensive against the Soviet bloc.<sup>30</sup> The point is, however, that during Truman's second term, covert action was envisaged as pursuing more expansive ends than those that had applied during his first term.

With regard to the book's format, then, Truman's tenure covers four chapters. The first of these examines his early cold war policy, and the factors that led him to first establish the CIA and subsequently authorise it to engage in covert operations. The necessary context is thus provided for the case study that follows in chapter 2: the Italian campaign of 1947 to 1948, which was the CIA's first official covert operation. Chapter 3 looks at the imperatives that led Washington to adopt a more offensively-oriented form of containment and create the OPC to carry the battle behind the Iron and Bamboo Curtains. The stage is thereby set for an assessment of Operation BGFRIEND, which features in chapter 4. Sanctioned in 1949, this enterprise was directed against Enver Hoxha's communist regime in Albania, and was the most clear-cut example of American deployment of rollback in the Eastern bloc.

The revisions in foreign and defence policy that were implemented by Eisenhower, coupled with the operational trends and developments that took place within the CIA during his tenure – including assessments of the agency's *modus operandi* in Eastern Europe, Tibet and the Middle East – are explored in chapter 5. This paves the way for three case studies, which feature in chapter 6 and stand as seminal examples of Washington's use of preventive covert action during the Eisenhower period: the removal of Musaddiq in 1953, the first democratically-elected leader to be overthrown by the agency; the ouster of President Arbenz of Guatemala in 1954, the high-water-mark for the DDP and the model for its subsequent large-scale projects; and the failed effort to depose Indonesian premier Achmed Sukarno in 1958, the implicit warnings of which signalled the potential for failure in Cuba three years later.

Kennedy's policy position and the institutional changes that he rang in at the CIA are examined in chapter 7, while more specific scrutiny of his deployment of covert action is viewed in chapter 8. The anti-Castro campaigns mounted between 1961 and 1963, notably Operations JMARC and MONGOOSE, feature prominently in this chapter, but space is also given over to parallel enterprises that were mounted by the DDP in the Dominican Republic, Ecuador, British Guiana and Venezuela during the same period with the overarching aim of countering the Cuban challenge in the wider Western Hemisphere.

Other operations are examined as needs demand. The assassination of the Congo's Patrice Lumumba is, for example, analysed in order to demonstrate the

difficulties of mounting covert operations during presidential interregnums. The defensive and offensive projects conducted by the agency in Korea between 1950 and 1953, and in Indochina during the early years of the Vietnam War are, on the other hand, looked at in the context of how clandestine action was designed to mesh with wider war aims.

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Disillusionment with the conduct of the Vietnam War was the primary catalyst for several former CIA officers to abandon their oath of silence in the 1970s and publish accounts of the agency's covert operations.<sup>31</sup> Along with earlier works, notably *The Invisible Government*, published in 1964, and the controversial *Ramparts* disclosures of 1966 and 1967, these apostatical works made meaningful though limited public scrutiny of the CIA's activities possible for the first time.<sup>32</sup> It was, however, the congressional investigations of the agency conducted during the mid 1970s – the Church and Pike Reports – that opened the sluice gates, and over the past thirty years a flood of books and articles have turned the study of the CIA and the American intelligence community as a whole into a cottage industry.<sup>33</sup>

The agency itself has, over the past two decades, assisted in this process and displayed a greater openness in relation to what it is prepared to declassify from its vaults, and so too has the State Department.<sup>34</sup> There has, moreover, been a concomitant increase in the availability of CIA-related manuscript depositions at other archives in the United States – notably the various presidential libraries and the National Archives in Washington D.C. For sure, there is much that remains to be uncovered. However, these sources, along with the printed primary and secondary material that is relevant to the subject, have been instrumental in the construction of as comprehensive a depiction as time and resources have allowed of how the CIA's covert action mission served wider policy aims. It is a picture that departs from the received wisdom; one that neither defends nor condemns the agency or its political masters; and one which confirms that Nicolò Machiavelli's observation that "many more princes have lost their lives and their states through conspiracies than through open warfare" was as true during the Cold War as it was when it was first offered over four hundred years earlier.

## THE ARRIVAL OF AN IMPERFECT PEACE AND THE RISE OF THE SILENT OPTION

In 1945 the United States faced a task that Dean Acheson later characterised as being marginally less formidable than that posed in Genesis.<sup>1</sup> In brief, the challenge before America was to transform a war-torn chaotic Europe into a bastion of democracy, free trade, and private enterprise, the interests of which would correspond closely to those of the United States. Achievement of the American vision of a new world order was, however, hampered by the social and economic dislocation that six years of war had wrought, and opposed with increasing intensity by a deeply suspicious Soviet Union. It was, in effect, this rapid deterioration in Soviet-American relations that took place during the two-year period that followed World War II which led the United States to take the first steps towards adopting covert action as a tool of foreign policy, and place responsibility for such measures with the Central Intelligence Agency. The political action and psychological warfare campaigns that the CIA and its predecessor, the Central Intelligence Group (CIG), conducted in Western Europe between 1946 and 1948 are therefore best understood in the context of the broader policy and strategy that they were designed to serve.

### **The Truman Inheritance and the Onset of Cold War**

On 12 April 1945, Harry S. Truman found himself catapulted into the office of president of the United States following the death of Franklin D. Roosevelt. Though unbriefed in the intricacies of foreign and defence policy, the new chief executive faced the unenviable task of overseeing American interests through a succession of events that would have tested the ingenuity and foresight of the most experienced of political leaders: the culmination of the most far-reaching and bloody war in history, and the onset of the atomic age; the menacing spectre of the Red Army firmly entrenched across much of Eastern Europe; and the establishment of the United Nations Organisation. All of these issues presented

themselves in imposing succession. Greatness had, to be sure, been thrust upon Truman in as conclusive a manner as was humanly possible. The new president, nevertheless, recognised that he had inherited, rather than been elected to, his position at the head of government and was therefore obligated to continue with his predecessor's policies.<sup>2</sup>

Any hopes that Truman might have entertained of fulfilling Roosevelt's aim of extending Soviet-American wartime cooperation over into peacetime were quickly dashed, however, for the bonds that held the grand alliance together loosened as quickly as German resistance collapsed: so much so that even Roosevelt, who had long resisted taking what he regarded as an overly firm stance vis-à-vis the USSR, was beginning to advocate the adoption of a 'tougher' Anglo-American approach towards the Soviets than had "heretofore appeared advantageous to the war effort".<sup>3</sup> The president's remarks, made a mere six days before his death, indicated that he was moving towards endorsing an approach that had long been advocated by a preponderance of State Department Soviet experts, notably the American Ambassador to Moscow, W. Averell Harriman: that economic aid be deployed as a lever to influence Stalin to take action that was compatible with American interests.<sup>4</sup>

What Truman's succession to the presidency did was to accelerate this trend towards toughness, a development that arose largely out of Roosevelt's propensity to act as his own Secretary of State and confer little with Truman during his short period as vice president.<sup>5</sup> The consequence was that when Truman took over the presidential reins he had little choice other than to consult with State Department experts of the Harriman stamp, who were thus afforded the perfect opportunity to educate the unbriefed Truman as to their own perceptions of Soviet intentions. Indications that the "firm but friendly *quid pro quo*", which Roosevelt had held back on implementing, would be attempted by the new president were in evidence a mere eleven days after he took office, when he berated Soviet Foreign Minister Vyacheslav Molotov over Moscow's failure to deliver on what Washington believed to be pledges made by Stalin at the Yalta Conference: that Moscow would permit the countries of Eastern Europe to shape their own political destinies.<sup>6</sup>

It would, however, be wrong to say that the United States had already abandoned any hope of securing a viable working relationship with the Soviet Union at this early stage. Indeed, Truman was regarded as having overstepped what even the sternest critics of the USSR saw as prudent in his clash with Molotov.<sup>7</sup> After all, the war was not yet over and Russian support was still regarded by Washington as crucial, most particularly for securing the earliest possible end to hostilities in the Far East. As such, the United States adopted a mainly concessionary approach in its dealings with the Soviet Union during the final stages of World War II and in fact American efforts to seek accommodation with Stalin continued to dominate policy through to the end of 1945.

There were some conspicuous, albeit brief, departures. The successful testing of the atomic bomb, for instance, led an emboldened Truman to toughen his

negotiating tactics at the Potsdam Conference in July 1945, and his Secretary of State James Byrnes made a failed attempt to deploy atomic diplomacy at the first Council of Foreign Ministers' meeting held in London during the following September. The consistently truculent position adopted by the Russian leadership at Potsdam, London, and the follow-on Moscow Council of Foreign Ministers' Conference in December 1945, made it clear, however, that neither the American atomic monopoly nor the lever of economic aid would serve as effective means for influencing Soviet behaviour.<sup>8</sup> Put simply, the principal contention between the two emerging superpowers could not be reconciled. American promotion of the principle of self-determination was incompatible with the Soviet Union's insistence that a security buffer zone be established along its western borders.<sup>9</sup> Rather than attempting to settle its differences with the Russian leadership through negotiation and compromise, the Truman administration now looked on the USSR as a potential enemy with vital interests that endangered the political and economic aims of the United States and its allies.<sup>10</sup>

In respect of Russian capabilities and intentions, the American political establishment was, at this crucial time, beset by a sense of uncertainty that was best summed up by James V. Forrestal in a letter written to journalist Walter Lippmann during January 1946. With regard to its relations with the Soviet Union, the Secretary of the Navy asked, was the United States "dealing with a nation or a religion"?<sup>11</sup> If Forrestal tended towards believing the latter, then his suspicions were reinforced by two major expositions on the nature of the Soviet state which together established the criteria through which the Truman administration was to interpret Russian behaviour – the American chargé d'affaires to Moscow, George Kennan's "Long Telegram" of February 1946, and the Clifford-Elsey Report, which was prepared on the president's orders and presented its findings in September 1946.<sup>12</sup>

These two analyses were at variance on several levels, with Kennan depicting the Russian leadership as being driven primarily by a traditional sense of insecurity, and Clifford-Elsey identifying ideology as the key determinant of Soviet motives and actions. Nevertheless, common to both appraisals were the assumptions that the Soviet Union was an opportunistic power and that the United States could neither afford nor should allow any further Russian territorial or political advances.<sup>13</sup> If proof was needed of the validity of these assessments then Americans needed to look no further than Stalin's intimidation of Iran and Turkey during late 1945 and 1946: developments which were seen by many in the administration as being analogous with the Munich crisis of 1938.<sup>14</sup> Consequently, the year 1946 saw the United States take significant steps towards meeting the Soviet threat. Russian pressure, whether of a military or political kind, was, and would continue to be, countered in a manner that was sufficient to deter but not to provoke. The USSR would, in short, be *contained* for as long as was necessary.<sup>15</sup>