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Appendix E**(S) CIA and TPAJAX: The Tension Between Analysis and Operations**

(S) TPAJAX illustrates the philosophical tension inherent in planning covert operations. Preparation must balance the need for fully informed decisionmaking with the need for strict operational security. The former requires that those with knowledge relevant to the operation be intimately involved from the start, while the latter requires that the number of people involved be kept to a minimum.

(S) An ideal operation is not at either extreme and acknowledges the inevitability of tradeoffs. Covert actions might have to be planned on less-than-perfect knowledge to ensure that they remain covert, and there may have to be compromises on absolute security in order to take advantage of relevant available expertise. How to balance these conflicting requirements has been a recurring issue throughout the history of CIA's covert operations. TPAJAX offers the intelligence historian some clues on how this tension might be resolved in some cases.

(S) TPAJAX was planned and executed with far greater concern for operational security than for ensuring that the planners had all relevant information. There is no evidence that the [redacted] in Kermit Roosevelt's NEA Division consulted either the Office of National Estimates (ONE) or the analysts in CIA's Office of Current Intelligence (OCI) at any stage of the operation. ONE and OCI might not have provided much help because they had chronic difficulty getting intelligence reporting from DDP—a problem that itself reflects poor communication between the analysts and collectors.

(S) The Office of National Estimates and TPAJAX

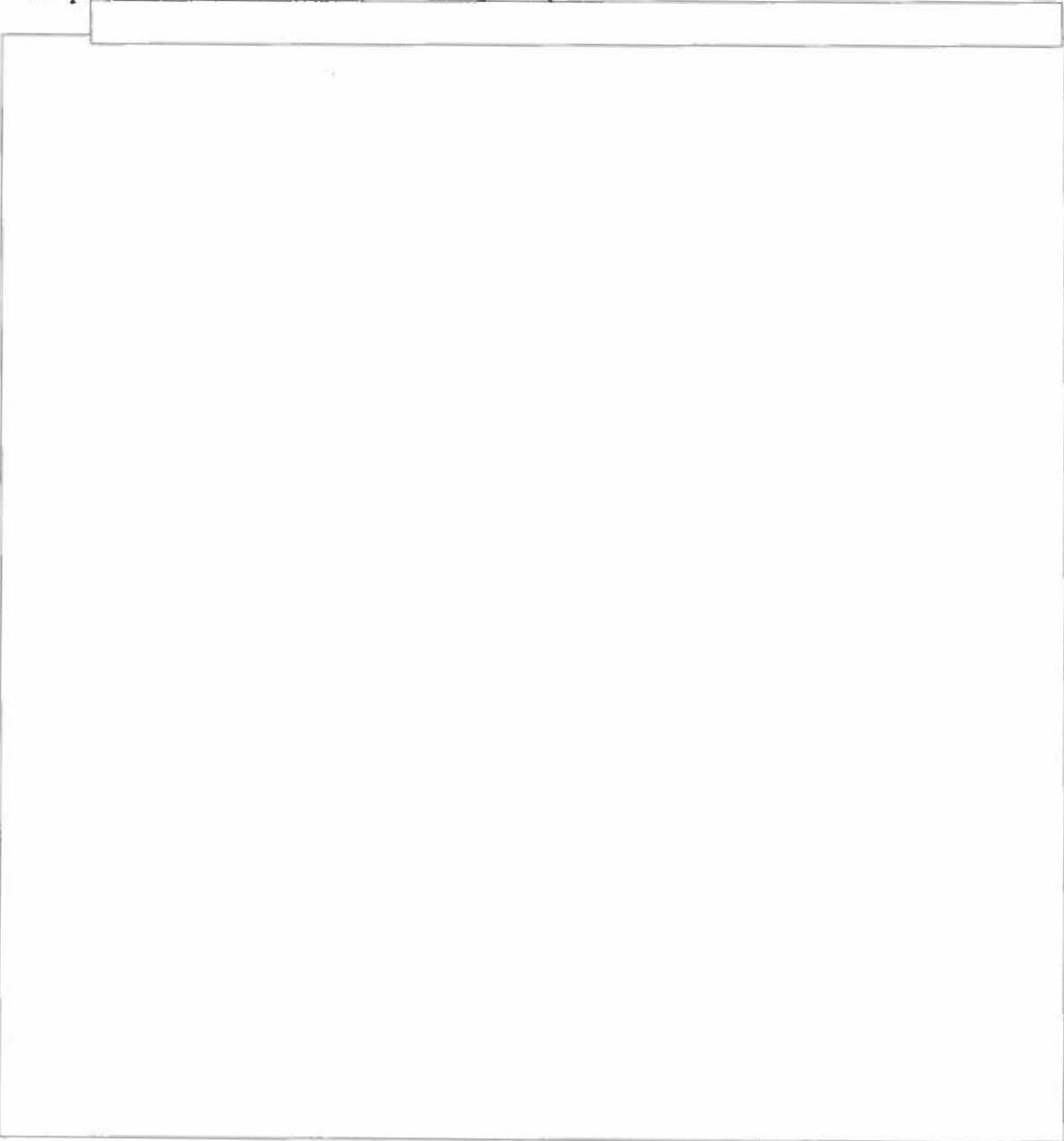
(U) The Board of National Estimates (BNE) in ONE was responsible for producing long-range appraisals of world events. These appraisals, known as National Intelligence Estimates, represented the intelligence community's best thinking on a particular topic. ONE did not concern itself with day-to-day events, concentrating instead on trends and probable future courses of action of other nations. Primarily because the Soviet Union was the focus of its attention, ONE wrote few national intelligence

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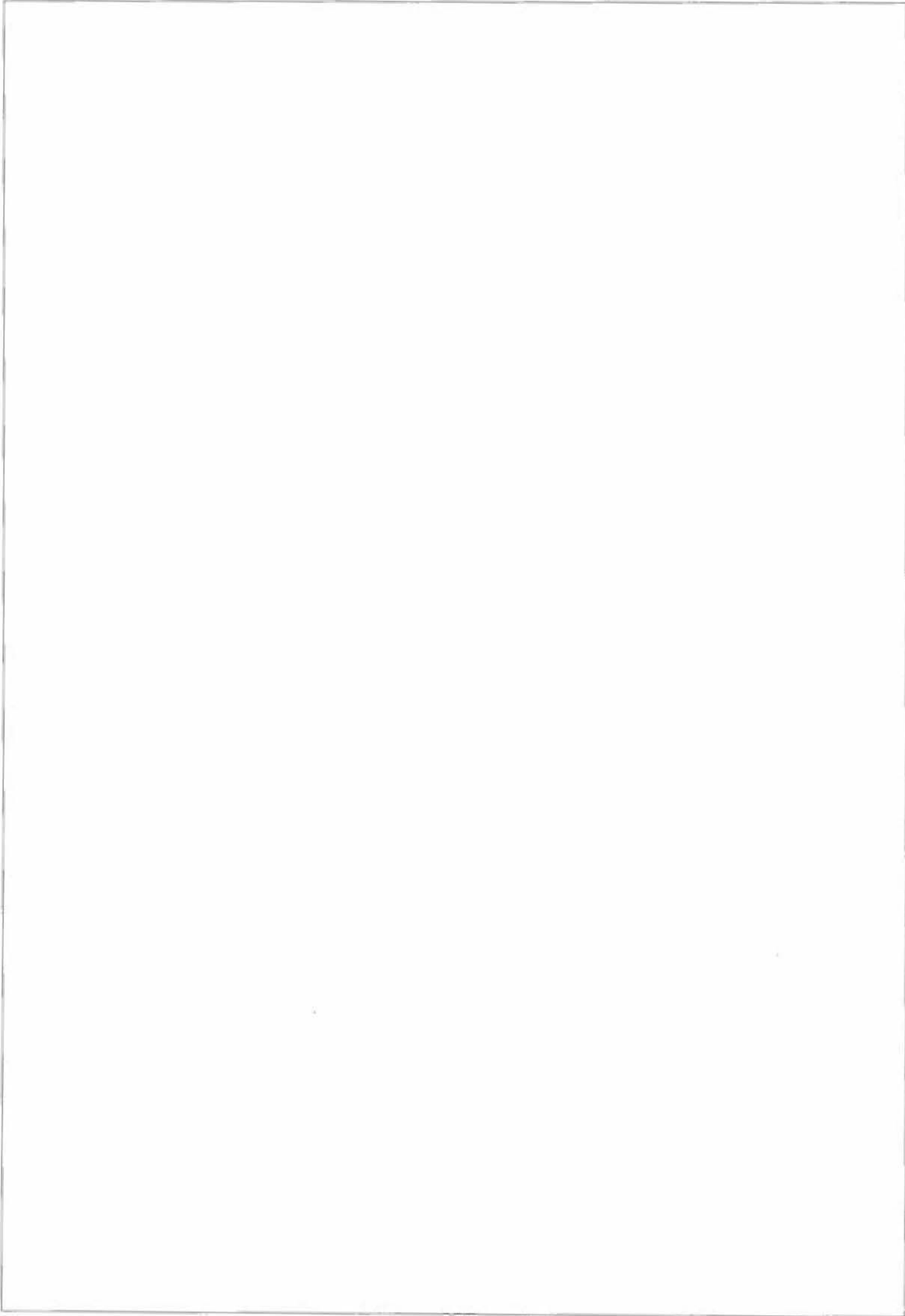
estimates on Iran. These priorities changed when Mossadeq's Iran became a critical issue in US foreign policy.

(S) ONE did not always have the cooperation of the clandestine services when drafting an estimate. In 1951, the year before DCI Walter Bedell Smith merged the Office of Policy Coordination and the Office of Special Operations into the new Directorate of Plans, Dr. William Langer, head of BNE, asked CIA's [redacted] to seek OSO's views for an upcoming national intelligence estimate on Iran. OSO management resisted [redacted] request, telling him (1) that OSO had too many similar requests from ONE, (2) that OSO personnel "were not paid to 'estimate,' but to produce facts," and (3) that OSO personnel could barely keep up with their assigned duties, much less help ONE do its job.¹ OSO clearly was not interested in dialogue with analytical components for the purpose of producing a superior analytical product.



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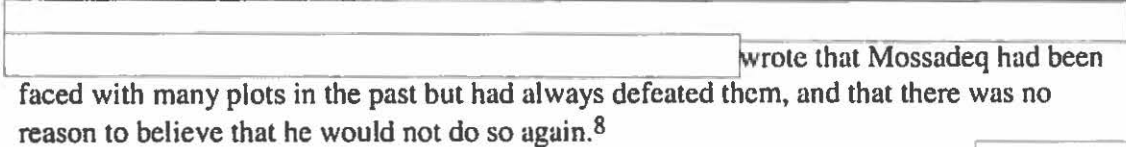
(S) The Office of Current Intelligence and TPAJAX

(U) The tension between ONE and the clandestine services was unfortunate but not potentially crippling to American policymakers during fast-breaking events. ONE concentrated on larger perspectives that were not sensitive to daily crises. The Office of Current Intelligence (OCI), on the other hand, analyzed events as they happened. OCI analysts could help shape policymakers' views and decisions during crises. What they wrote could have an immediate impact.

(S) In the summer of 1953, OCI was responsible for keeping the President informed about daily events that might affect US foreign policy. [redacted]



(S) OCI initially conducted its analysis of the unfolding events in Iran in ignorance of the developing American role. [redacted]



[redacted] wrote that Mossadeq had been faced with many plots in the past but had always defeated them, and that there was no reason to believe that he would not do so again.⁸

(U) *The day before DDP executed the operation* someone finally called [redacted] (who does not remember who), said that there was an imminent covert action, "and on this side of the house your analysts are saying there's no chance that it'll work." At this point [redacted] analysts finally received a briefing.⁹

(U) "From an analytical point," [redacted] says, "this changed the situation completely. This was a major piece of information that we didn't have, and that if we had known it ahead of time, we would have phrased things differently, or maybe simply kept our mouth shut about it until it went off."¹⁰

(U) The problem [redacted] identified was, unfortunately, old and persistent. R. Jack Smith, later a Deputy Director for Intelligence, was the head of the current intelligence staff of the Office of Reports and Estimates in the old Central Intelligence Group. In his



⁸(S) Interview with [redacted] 25 September 1995, transcript, p. 16.

⁹(S) Ibid., p. 17.

¹⁰(S) Ibid.

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book *The Unknown CIA: My Three Decades With the Agency*, Smith writes that clandestine reporting was absent from the current intelligence publications his office produced. He later discovered the reason. Rather than going to analysts, the "best clandestine reports were being hand-carried by top clandestine services people over to senior people in the White House, the State Department, and the Pentagon." In contrast, Smith's office saw "mostly inconsequential scraps of information about foreign personalities, especially the officer of local communist cells." Analysts routinely were denied access to critical information from clandestine sources, but Smith, not knowing differently, thought that what he had was the best American espionage could offer. It was not.¹¹

(S) After TPAJAX [redacted] tried to develop closer personal ties with the DDP on his own. He did not expect DDP to tell him what was going on all the time, but he wanted to develop a relationship so that "they would trust me enough that they might tell me things that otherwise wouldn't get on paper, and so on. And by the same token to demonstrate to them that we could help them."¹²

(U) [redacted] gradually built a rapport with DDP officers that he says paid off for both sides. Nonetheless, he thinks that more cooperation could have improved the intelligence product immensely. When he went to the DDP in 1957 "and started clawing through the files, one thing that struck me was how much useful intelligence information was in the operational files but had never made it out into intelligence reports because the reports officer or whoever had just not spotted it as intelligence report material."¹³

(U) [redacted] is philosophical about the limited contact that he and the other analysts in his branch had with the people on the Iranian desk in the Directorate of Plans. There was, he says, "indeed a very deep gulf, institutionally, and policy wise" and surmises that the reason lay in differences between overt and covert employees. He and his fellow analysts were overt; many DDP employees were covert. From the DDP's perspective, overt employees were not sufficiently sensitive to security issues. "There was a measure of distrust," [redacted] believes, "on the DDP side against these overt analysts who probably had loose tongues and if we [in DDP] talk too much they'll [OCI analysts] go blabbing around town, . . ."¹⁴

(U) John Waller [redacted] makes the same assessment of the relationship between the analysts and operators. In a July 1995 interview, Waller suggested two additional reasons for the unofficial separation between the two directorates. First, most Iranian specialists in the DDP were OSS veterans who had spent substantial amounts of time in the Middle East. They had acquired their

¹¹ (U) Smith's best source of information was sensitive State Department cables. While valuable, CIG's (and CIA's) analytical over-reliance on these cables meant that the "daily intelligence summary was essentially a digest of top State telegrams." Intelligence reports from military and naval attachés were, in Smith's words, "markedly inferior." R. Jack Smith, *The Unknown CIA: My Three Decades With the Agency* (Washington: Pergamon-Brassey's, Inc., 1989), pp. 41-42.

¹²(S) Interview with [redacted] p. 19.

¹³(S) Ibid., p. 20.

¹⁴(S) Ibid., pp. 9-10.

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knowledge from practical experience and thought that knowledge acquired this way was superior to the academic knowledge many Directorate of Intelligence (DI) analysts prized. Second, the DDP officers' relationships with the DI analysts were informal. "There was a lot of time," Waller said, "before you sort of had a wiring diagram that put us [DDP] together with the DI. It was all based on if you need their help, go get it, but you'd better know who you were talking to. There's no point in talking to a man who's only read the books you've read."¹⁵

(U) Bureaucratic differences probably played an important part in reinforcing the separation between the DDP and the DI. DDP officers may have thought that if the DI were included in covert action planning, analysts would begin to challenge DDP's preeminence in covert operations. Similarly, DI analysts may have feared that DDP operators would question their analytical preeminence and that close association with a covert action would raise questions about their intellectual objectivity. Philosophical, organizational, and physical separation ensured that these kinds of issues seldom touched off bureaucratic warfare.

(S) At least in the case of TPAJAX, the relationship between the DDP and the DI contrasted sharply with the relationship between DDP and the State Department. After the operation, John Stutesman of State sent a letter to Roy Melbourne, First Secretary of the Embassy in Tehran, telling him of the close personal relationship he had developed with CIA's John Waller and Roger Goiran. "John Waller and Roger Goiran are men," Stutesman wrote, "upon whose judgment we can all rely without qualification and Arthur Richards [Director of the Office of Greek, Turkish, and Iranian Affairs, Department of State] and I have been happy to observe that they go out of their way to maintain friendly and close relations with us, asking our advice often upon subjects which their organization might not normally discuss with working levels in the Department."¹⁶

(U) Allen Dulles's Personal Directorate of Intelligence

(S) The highest levels of management in CIA did nothing to discourage the estrangement of the Directorate of Plans from the Directorate of Intelligence, and in fact reinforced it. Allen Dulles ignored the Agency's analytical arm during TPAJAX, preferring to use personal acquaintances as sources of information.¹⁷ He had numerous contacts across the world and throughout American society from his pre-war days as an attorney and his wartime service in the OSS.

¹⁵(S) John H. Waller interview with the author, 7 July 1995, p. 42.

¹⁶(S) Letter from John H. Stutesman to Roy Melbourne, First Secretary, US Embassy, Tehran, 6 November 1953, Records of the Department of State, RG 59, Lot 57, D 529, NND959286, "Iran 1946-54," box 4, National Archives and Records Administration.

¹⁷(U) Peter Grose's biography of Dulles captures this characteristic well. "Institutional ties never inhibited Allen from nurturing his own private networks of diverse colleagues and friends, many dating back decades, upon whom he would call in his regular trips to Europe for civilized exchanges among men and, increasingly, women of the world." Peter Grose, *Gentleman Spy: The Life of Allen Dulles* (Boston: Houghton Mifflin, 1994), p. 319.

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(U) Personal relationships were important to Dulles, and he tended to trust the information he got from people he knew. On Iran, much of this information came from Brig. Gen. H. Norman Schwarzkopf and Max Thornburg, an oil company executive. There is no evidence that Dulles ever passed on information from these sources to analysts in ONE or OCI.¹⁸

(U) Schwarzkopf had spent considerable time in Iran, had trained the Iranian Gendarmerie during World War II, and knew the Shah well. His knowledge extended beyond Tehran because the Gendarmerie operated in provinces across the country. Through his work with this police force, Schwarzkopf became a storehouse of knowledge about Iran and was happy to share it with Dulles.¹⁹

(S) Max Thornburg ran Overseas Consultants, Inc., a firm that advised Middle Eastern governments on oil and economic questions. In 1950 he was in Iran as a consultant to the government, advising Iranian officials about the country's seven year economic plan.

(S) Thornburg gained unusual access to then-Deputy Director (Plans) Allen Dulles and key State Department officials. He maintained a steady correspondence with both CIA and State about events in the Middle East. He was not shy about telling "Allen" what he thought should be done, and consistently urged that the US had to change the psychological climate in the Middle East. He also argued that the Shah was not weak, but only "young, beaten-down and understandably skeptical about any real support coming from the United States or Britain."²¹ Thornburg sat in on several sessions with Dulles and drafted some papers for CIA.

(U) The Consequences of Analytical Exclusion

¹⁸ (U) Schwarzkopf, father of the American general heading coalition forces in the Gulf war, formed the New Jersey State Police in 1921. He was head of the State Police at the time it investigated the Lindbergh kidnapping in the early 1930s.

¹⁹(S) John H. Waller interview with the author, 7 July 1995, pp. 41-42.

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(U) For background on Thornburg's activities in Iran from 1947 to 1951, see Linda Wills Qaimmaqami, "The Catalyst of Nationalization: Max Thornburg and the Failure of Private Sector Developmentalism in Iran, 1947-1951," 19 *Diplomatic History* (Winter 1995): 1-31.

²¹(S) Letter, Max W. Thornburg to Allen Dulles, 10 February 1953, Office of the Director of Central Intelligence Records, Job 80-R01731R, Box 13, Folder 563, ARC.

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(S) The consequences of the analysts' exclusion from TPAJAX can be examined from two perspectives: its effect on analysis itself (product and process), and its effect on the preparation and execution of the operation.

(U) Exclusion damaged the analytical *product* because it prevented analysts from basing their judgments on complete information. Exclusion harmed the analytical *process* because it impeded the creation of a valid framework for assessing future developments.

(S) Had they been apprised of the US role in deposing Mossadeq, analysts probably would have been more circumspect in concluding that because he had turned back coup attempts in the past, he was likely to prevail again. Knowledge that this time the United States was supporting the Prime Minister's opponents with extraordinary measures might have changed or tempered this judgment. Inclusion in TPAJAX planning might have made analysts more inclined to recognize the operation's potential for success.

(S) It is less certain that the segregation of analysis from operational planning affected the conception and execution of TPAJAX. The analysis that [] and his colleagues wrote was essentially incompatible with the planned covert political action, but [] conclusions did not dissuade the President, the Secretary of State, and the DCI from executing TPAJAX. Under these circumstances, one can make a strong argument convincingly that analytical exclusion had negligible consequences for TPAJAX.

(S) It is possible, nevertheless, that fully informed analysis might have enhanced the operation. The DI's more scholarly and detached perspective and its methodology for assessing a dynamic situation perhaps could have helped NEA clarify the assumptions upon which TPAJAX was based, and how changes in those assumptions might affect the operation.

(U) The operation's initial failure provides the most conspicuous evidence that the absence of analytical expertise may have been detrimental. Mossadeq arrested Col. Nassiri, and the military challenge melted away. Headquarters wanted to call off the operation. Had the planning taken into account the possibility—even the likelihood—that segments of the Iranian military would react this way, DDP could have had contingency plans in effect instead of relying on Roosevelt's improvisation.

(S) Advances in collection technology have given today's analyst access to an almost bewildering array of sources inconceivable to his colleague of 44 years ago. Signals intelligence, imagery, and information from exotic collection platforms are available to analysts but generally are unavailable to those planning covert action programs. The exponential growth of information derived from these sources has made the consequences of ignoring analysis more serious today than was the case in 1953.