

Crafting an Intelligence Community:
Papers of the First Four DCIs



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The History Staff in the CIA Center for the Study of Intelligence fosters understanding of the Agency's history and its relationship to today's intelligence challenges by communicating instructive historical insights to the CIA workforce, other US Government agencies, and the public. CIA historian research topics on all aspects of Agency activities and disseminate their knowledge through publications, courses, briefings and Web-based products. They also work with other Intelligence Community historians on publication and education projects that highlight inter-agency approaches to intelligence issues. Lastly, the CIA History Staff conducts an ambitious program of oral history interviews that are invaluable for preserving institutional memories that are not captured in the documentary record.



School of Public Policy

The School of Public Policy at George Mason University prepares highly qualified, astute policy professionals who move rapidly into leadership positions in the private sector; not-for-profits; state and federal governments; and international organizations. With its emphases on innovation, diversity, ethics, and international perspectives, the School of Public Policy is among George Mason University's fastest-growing units.

When the School of Public Policy was founded in 1990, it was housed in trailers on the main campus in Fairfax, Va. Twenty-two years later, it now lives in a brand-new, seven-story building in Arlington, Va., with more than 60 full-time faculty and more than 950 full- and part-time Master's and PhD students.

In a short time, the School of Public Policy has been recognized as one of the largest and most respected public policy schools in the country. It offers students and working professionals a comprehensive education that integrates real-world experience, problem-solving and applied knowledge. Master's students pursue degrees in Public Policy; Health and Medical Policy; International Commerce and Policy; Organization Development and Knowledge Management; Peace Operations; or Transportation Policy, Operations, and Logistics.

Students graduate with the methodological and communication skills needed to design and promote effective policies. And because solving complex policy challenges requires an interdisciplinary approach, the School employs faculty members with backgrounds ranging from economics to political science, anthropology, and law, representing expertise in diverse topic areas, including transportation, economic development, national security, ethics, health care, global trade, education, governance, and technology.

Speaker Biographies

LOUIS FISHER, PhD

Dr. Louis Fisher is the Scholar in Residence at The Constitution Project, headquartered in Washington, D.C. From 1970 to 2006, he worked at the Library of Congress as Senior Specialist in Separation of Powers within the Congressional Research Service (CRS) and from 2006 to 2010 served as the Specialist in Constitutional Law within the Law Library. During his service with CRS, he was the research director for the House Iran-Contra Committee and wrote major sections of the Committee's final report.

Dr. Fisher has written over twenty books with the most recent being *Defending Congress and the Constitution* (2011). His writing has garnered numerous accolades including the Louis Brownlow Book Award and Neustadt Book Award. In 2011 he received the Walter Beach Pi Sigma Alpha Award from the National Capital Area Political Science Association for strengthening the relationship between political science and public service. In 2012 he received the Hubert H. Humphrey Award from the American Political Science Association in recognition of notable public service by a political scientist.

Louis Fisher received his doctorate in political science from the New School for Social Research (1967) and has taught at Queens College, Georgetown University, American University, Catholic University of America, Indiana University, Johns Hopkins University as well as the College of William and Mary and the Catholic University of America Law Schools.

PORTER J. GOSS

Porter J. Goss served as the 19th and last Director of Central Intelligence from September 24, 2004 until April 21, 2005. At that time, he became the first Director of the Central Intelligence Agency under the newly signed Intelligence Reform and Terrorism Prevention Act. He continued as D/CIA until May 26, 2006.

Previously, Mr. Goss served as the Congressman from Southwest Florida for almost 16 years. He was Chairman of the House Permanent Select Committee on Intelligence from 1997 until his nomination as DCI in August 2004. He served for almost a decade as a member of the committee which oversees the intelligence community and authorizes its annual budget. During the 107th

Congress, Mr. Goss co-chaired the joint congressional inquiry into the terrorist attacks of September 11, 2001. He was the second Director of Central Intelligence to have served in Congress.

In addition to Intelligence, Mr. Goss' Congressional career focused on the environment, House ethics, senior issues, health care reform and the Rules Committee. He was a leader on the Everglade's legislation and takes great pride in the passage of the Ricky Ray Bill which offered relief to victims who contracted HIV through a contaminated blood supply. Mr. Goss was awarded the Distinguished Service Award in 2006.

Mr. Goss was a U.S. Army Intelligence officer from 1960 to 1962. He served as a clandestine service officer with the Central Intelligence Agency from 1962 until 1972, when a serious illness forced his retirement. While at the CIA, he completed assignments in Latin America, the Caribbean, and Europe.

After leaving the CIA, Mr. Goss and his family settled in Sanibel, Florida, where he was a small business owner and co-founder of a local newspaper. He was an active leader in the incorporation of the City of Sanibel in 1974 and was elected its first Mayor. From 1983 until 1988, Mr. Goss was a member of the Lee County (Florida) Commission, serving as its chairman in 1985 and 1986.

Mr. Goss holds a Bachelor of Arts degree in classical Greek from Yale University, graduating with high honors. He was born in Waterbury, Connecticut on November 26, 1938. He and his wife, Mariel, have four children and 12 grandchildren.

MICHAEL V. HAYDEN



Michael V. Hayden is a Distinguished Visiting Professor with George Mason University's School of Public Policy. A retired U.S. Air Force four-star general, he is a former director of the National Security Agency (1999–2005) and the Central Intelligence Agency (2006–09).

General Hayden has more than 20 years' experience developing and implementing U.S. security and foreign policy, having worked in the White House, U.S. embassies, and the Department of Defense, as well as at the NSA and the CIA.

After earning a bachelor's degree in history and a master's degree in modern American history from Duquesne University, Michael Hayden entered active duty in the U.S. Air Force. He has taught American defense policy as part of the Air Force ROTC program at St. Michael's College in Winooski, Vermont.

General Hayden has appeared in the media on such shows as *Charlie Rose*, *Meet the Press*, *This Week*, *Nightline*, and *CNN's Nightly News*.

THOMAS M. NEWCOMB



Thomas M. Newcomb is a Professor of Political Science and Criminal Justice at Heidelberg University in Ohio and is a member of the CIA Director's Historical Review Panel. In 2005, Professor Newcomb retired from the White House as a Special Assistant to the President for National Security Affairs. He previously served as a legal advisor to the U.S. Foreign Intelligence Surveillance Court; an attorney in the Office of Intelligence Policy and Review at the Department of Justice; a subcommittee staff director and counsel on the House Permanent Select Committee on Intelligence (HPSCI); an attorney with CIA's Office of General Counsel; a clandestine service officer and (once) chief of station at five CIA stations in Europe and Africa; and as a buck sergeant with the 101st Airborne infantry in Vietnam. With spouse Dee Jackson, who retired after service at CIA and HPSCI, he runs an agricultural folly called Dead Drop Vineyards on their farm in Ohio.

Professor Newcomb has a BA and JD from the University of Minnesota and practiced trial law with Minneapolis-area firms before turning to public service.

LEON E. PANETTA



Leon E. Panetta was sworn in as the 23rd Secretary of Defense on July 1, 2011. Before joining the Department of Defense, Secretary Panetta served as the Director of the Central Intelligence Agency [D/CIA] from 2009 to 2011 where he led the Agency and managed human intelligence and open-source collection programs on behalf of the Intelligence Community.

Before joining CIA, Secretary Panetta spent 10 years co-directing, with his wife, the Leon & Sylvia Panetta Institute for Public Policy at California State University, Monterey Bay, a nonpartisan, nonprofit Institute promoting the value of public service. In 2006, he served as a member of the Iraq Study Group, which conducted an independent assessment of the war in Iraq.

From July 1994 to January 1997, Secretary Panetta served as Chief of Staff to President William Clinton. Earlier, he was Director of the Office of Management and Budget. From 1977 to 1993, he represented California's 16th (now 17th) Congressional District, rising to House Budget Committee chairman during his final term.

Secretary Panetta served as a legislative assistant to Senator Thomas H. Kuchel [R-CA]; special assistant to the Secretary of Health, Education and Welfare; director of the U.S. Office for Civil Rights; and executive assistant to Mayor John Lindsay of New York. He also spent five years in private law practice.

He served as an Army intelligence officer from 1964 to 1966 and received the Army Commendation Medal.

Secretary Panetta holds a Bachelor of Arts degree in political science, and a law degree, both from Santa Clara University, California. He was born June 28, 1938 in Monterey, and lives in Carmel Valley. The Panettas have three grown sons and six grandchildren.

DAVID ROBARGE, PHD



Dr. David Robarge received his Ph.D. in American History from Columbia University. After teaching at Columbia and working on the staff of banker David Rockefeller, and at the Gannett Center for Media Studies at Columbia, Dr. Robarge joined CIA in 1989 and worked as a political and leadership analyst on the Middle East. He came to the History Staff in 1996 and was appointed Chief Historian in June 2005. Dr. Robarge has published a classified biography of DCI John McCone and an unclassified monograph on CIA's supersonic reconnaissance aircraft, the A-12. His articles and book reviews on Agency leadership, analysis, counterintelligence, technical collection, and covert action have appeared in *Studies in Intelligence*, *Intelligence and National Security*, and the *Journal of Intelligence History*. He has taught intelligence history at George Mason University and Georgetown University and also has written a biography of Chief Justice John Marshall.

MICHAEL W. SHEEHY



Michael W. Sheehy joined McBee Strategic in March of 2009, after more than thirty years of service in the U.S. House of Representatives. For six years, Mr. Sheehy was the national security advisor for Speaker of the House Nancy Pelosi. In that capacity, he served as the Speaker's principal advisor on all matters affecting the security of the United States including defense, foreign policy, energy security, homeland security, and intelligence.

Prior to joining the Speaker's staff, Mr. Sheehy served for thirteen years as Democratic staff director and chief counsel on the House Permanent Select Committee on Intelligence where he was responsible for the committee's work in authorizing funding for, and overseeing the conduct of, the nation's intelligence activities. Before joining the Intelligence Committee, he was chief of staff for Congressmen Richard Neal (D-MA) and Edward Boland (D-MA).

Mr. Sheehy served in the Navy for five years before beginning his career on Capitol Hill. He holds a B.A. from Marquette University and a J.D. from Georgetown University.

SUZANNE E. SPAULDING



Ms. Suzanne E. Spaulding is a recognized expert on national security issues, including intelligence, homeland security, terrorism, critical infrastructure protection, cyber security, intelligence, law enforcement, foreign investment, biodefense, crisis management, and issues related to the threat from chemical, biological, nuclear, or radiological weapons.

Developing her expertise over a career spanning 20 years, Ms. Spaulding has worked on national security issues in the Executive Branch and for Congress. She served as the Executive Director of two Congressionally-mandated commissions: the National Commission on Terrorism, chaired by Ambassador L. Paul Bremer III, and the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction, chaired by former Deputy Secretary of Defense and CIA Director John Deutch.

On Capitol Hill, Ms. Spaulding served as Legislative Director and Senior Counsel for Senator Arlen Specter (R-PA), General Counsel for the Senate Select Committee on Intelligence, and Minority Staff Director for the U.S. House of Representatives Permanent Select Committee on Intelligence. She also spent time at the Central Intelligence Agency, where she was Assistant General Counsel and the Legal Adviser to the Director of Central Intelligence's Nonproliferation Center.

R. JAMES WOOLSEY



R. James Woolsey is Vice President at Booz Allen & Hamilton for Global Strategic Security and former director of the U.S. Central Intelligence Agency. Previously, Mr. Woolsey was partner at the law firm of Shea & Gardner.

He recently served as counsel for major corporations in both commercial arbitrations and the negotiation of joint ventures and other agreements.

Besides serving as Director of Central Intelligence, Mr. Woolsey has served in the U.S. government as Ambassador to the Negotiation on Conventional Armed Forces in Europe (CFE), Vienna, 1989-1991, Under Secretary of the Navy, 1977-1979, and General Counsel to the U.S. Senate Committee on Armed Services, 1970-73.

He was also appointed by the President as Delegate at Large to the U.S.-Soviet Strategic Arms Reduction Talks (START) and Nuclear and Space Arms Talks (NST) in Geneva between 1983 and 1986.

During his military service in the U.S. Army, he served as an adviser on the U.S. Delegation to the Strategic Arms Limitation Talks (SALT I), Helsinki and Vienna, from 1969 to 1970.

Symposium Overview

Directors of Central Intelligence, 1946–2005

Dr. David Robarge

Originally printed in the Studies in Intelligence, Vol 49, No. 3, 2005.

For nearly six decades, the director of central intelligence (DCI) headed the world's most important intelligence agency and oversaw the largest, most sophisticated, and most productive set of intelligence services ever known. From 1946 to 2005, 19 DCIs served through 10 changes in president; scores of major and minor wars, civil wars, military incursions, and other armed conflicts; two energy crises; a global recession; the specter of nuclear holocaust and the pursuit of arms control; the raising of the Berlin Wall and the fall of the Iron Curtain; the proliferation of weapons of mass destruction; and the arrival of international terrorism on the shores of America and the war against it overseas. During that time, the DCIs participated in or oversaw several vital contributions that intelligence made to US national security: strategic warning, clandestine collection, independent analysis, overhead reconnaissance, support to warfighters and peacekeepers, arms control verification, encouragement of democracy, and counterterrorism. The responsibilities of the DCI grew logarithmically after January 1946, when President Harry Truman whimsically presented the first DCI, Sidney Souers, with a black hat, black cloak, and wooden dagger

and declared him the "Director of Centralized Snooping."¹ At that time, the DCI had no CIA to run, no independent budget or personnel to manage, no authority to collect foreign secrets, and no power to bring about a consensus among agencies. Maybe that is why Souers, when asked not long after his appointment, "What do you want to do?" replied, "I want to go home."²

Then came the National Security Act of 1947, which set forth a description of the DCI's job: There is a Director of Central Intelligence who shall serve as head of the United States intelligence community...act as the principal adviser to the President for intelligence matters related to the national security; and...serve as head of the Central Intelligence Agency.

Two years later, the Central Intelligence Agency Act laid down the DCI's and the Agency's administrative rubrics. Over the next several decades, the DCI would directly manage thousands of employees and billions of dollars, and would have an important part in guiding many thousands and many billions more.

"Nineteen DCIs served through 10 changes in president, scores of wars,...a global recession, the specter of nuclear holocaust, and the arrival of international terrorism on US shores."

“IT’S A VERY HARD JOB”

After John McCone was sworn in as DCI in November 1961, President John Kennedy shook his hand and gently warned him that he was “now living on the bull’s eye, and I welcome you to that spot.”³ The bull’s eye seems an appropriate metaphor, considering how often DCIs were the targets of recrimination and attack. George H. W. Bush called the job “the best...in Washington,”⁴ but arguably it also was the toughest.

The DCI really did not “direct” something called “central intelligence.” He was responsible for coordinating national collection and analysis, but he lacked the authority to do so, faced formidable competitors in other agencies, and had no constituency to support him. He had to walk the knife’s edge between politics and politicization, and was the handy scapegoat for intelligence missteps often committed or set in train years before. And he had to deal with the reality that, as Allen Dulles wrote, “Intelligence is probably the least understood and most misrepresented of the professions.”⁵

The purpose for establishing the position of DCI and the CIA under law in 1947 was to help avoid another Pearl Harbor surprise by taking strategic intelligence functions from the confines of separate departments and elevating them to the national level. The DCI was to have been the only adviser to the president with even a chance of presenting him with unbiased, nondepartmental intelligence. The seemingly straightforward phrases in the National Security Act, however, only gave

the DCI the potential to be a leader of the Intelligence Community. Whether a given DCI came close to being one was a result of the interplay of personalities, politics, and world events. With line authority only over the CIA, the DCI depended on his powers of bureaucratic persuasion and, most vitally, his political clout at the White House to be heard and heeded. Richard Helms often noted that the secretary of defense was the second most powerful person in Washington—except, perhaps for a few first ladies—whereas the DCI was “the easiest man in Washington to fire. I have no political, military, or industrial base.”⁶ Moreover, the DCI’s showcase product—national-level analysis—often carried the implicit message, “Mr. President, your policy is not working.” Presidents often have unrealistic expectations about what the CIA’s espionage and covert action capabilities can achieve, and they usually did not appreciate hearing from their DCIs that the world was complicated and uncertain. No wonder R. James Woolsey said his version of the job’s description could be written very simply: “Not to be liked.”⁷

DCIs IN PROFILE

Allen Dulles once told Congress that the CIA “should be directed by a relatively small but elite corps of men with a passion for anonymity and a willingness to stick at that particular job.”⁸ While Dulles’s advice may be applicable to the heads of the Agency’s directorates and offices, hardly any part of his statement was borne out over the history of the DCI’s position. Elite, yes; but neither small in number nor anonymous—many were well known in their various pursuits when they were nominated. And even if they were willing to stay for the long haul, few did. In late 1945,

“With no political, military, or industrial base, the DCI was ‘the easiest man in Washington to fire.’”



an interdepartmental committee that was developing a plan for a national-level intelligence agency recommended that its director be appointed for a long term, preferably not less than six years.⁹ Testifying to Congress in early 1947 about the proposed National Security Act, Dulles asserted that appointment as DCI "should be somewhat comparable to appointment to high judicial office, and should be equally free from interference due to political changes."¹⁰

The reality of a DCI's tenure was otherwise. The average time they served was just over three years, and only five DCIs stayed at least four. It is a tribute to the DCIs and all the intelligence professionals they led under 11 administrations over nearly six decades that they were able to accomplish as much as they did despite all the bureaucratic disruptions.

The frequency of these "regime changes" at the CIA must further be considered in light of the fact that most new DCIs had next to no time to settle in and read in. Over half had to face foreign policy or intelligence-related crises within their first month. These included: the Chinese invasion of North Korea in 1950; the death of Stalin in 1953; the US military incursion into the Dominican Republic in 1965; France's withdrawal from NATO and a marked upsurge in the Cultural Revolution in China in 1966; the Yom Kippur war and the fall of the Allende regime in Chile in 1973; the publication of the leaked Pike Committee report in 1976; the breakdown in the SALT II talks in 1977; a military coup attempt in recently democratized Spain in 1981; the assassination of the Lebanese prime minister in 1987; the official breakup of the Soviet Union in 1991; and a deadly terrorist attack in Egypt in 2004.

In other instances, major events immediately preceded the DCI's arrival: the signing of the Vietnam War peace accords in 1973 and the terrorist shootings outside the CIA headquarters compound in 1993. Soon after his appointment in 1950, Walter Bedell Smith said, "I expect the worst and I am sure I won't be disappointed."¹¹ Most subsequent DCIs likewise were not. Perhaps the best advice they could have received from the presidents who picked them was, "Be ready to hit the ground running."

Who were the DCIs? President Eisenhower called the CIA "one of the most peculiar types of operation[s] any government can have" and said "it probably takes a strange kind of genius to run it."¹² Whatever the validity of that characterization, these are the salient demographic facts about the 19 DCIs:¹³

- ♦ They were born in 14 different states. Most hailed from the Midwest (nine) and the Northeast (seven). One was born in the Southwest, one in the West, and one overseas.
- ♦ They attended 21 different colleges, universities, and graduate or professional schools. Eight finished college, and ten others went on for post-graduate degrees. One, "Beetle" Smith, completed only high school. Considering that he ended his public service with four stars and an ambassadorship, he could be called the Horatio Alger of DCIs.
- ♦ Before their appointments, the DCIs came from a variety of walks of life, some from more than one. Six were from the military, eight had been government officials and/or lawyers, three had been businessmen, and four came from politics, academe, or journalism. All three branches of govern-

ment were represented, as were three of five military services.

- ✦ Two-thirds of the DCIs had direct experience with intelligence in military or civilian life before their appointments. One served in the OSS (William Casey), two in the CIA (Robert Gates and Porter Goss), and three in both (Dulles, Helms, and William Colby).
- ✦ The DCIs' average age at the time of their appointment was slightly under 55. The youngest was 43 (James Schlesinger); the oldest was 67 (Casey).

HISTORIANS AND DCIs

An inconsistency exists between the fairly extensive bibliography on DCIs and historians' evaluation of their personal contribution to US national security. Nearly as many biographies have been written about DCIs as about comparable members of the American foreign policy community—the secretaries of state and defense, the presidents' national security advisers, and the chairmen of the Joint Chiefs of Staff. However, the 19 heads of the largest agglomeration of secret services in what used to be called the Free World generally have not been perceived as being nearly as influential as most of their counterparts.

Historians have regarded a number of secretaries of state and defense—notably George Marshall, Dean Acheson, John Foster Dulles, Dean Rusk, Robert McNamara, and Henry Kissinger—as major players in the diplomatic and military developments of their times, as is at least one national security adviser, Kissinger. The DCIs are another matter. Only two, Dulles and Casey, usually are considered to have had

an impact rivaling that of the other top foreign policy officials in the administrations in which they served. The rest rarely get mentioned in most foreign affairs surveys (although Helms and Colby may come up when the Agency's "time of troubles" in the 1970s is discussed). Even in overviews of the CIA and the Intelligence Community, only a handful—Hoyt Vandenberg, Smith, Dulles, McCone, Casey, and possibly Helms—are portrayed as making noteworthy contributions to the way the US government conducts intelligence activity.

That consensus may derive from conceptions of the proper place of intelligence practitioners in the foreign policy process. Intelligence, the premise goes, should be detached from policy so as to avoid cross-corruption of either. If intelligence services have a stake in policy, they may skew their analyses or become aggressive advocates of covert action. The Intelligence Community must remain a source of objective assessment and not become a politicized instrument of the incumbent administration. As heads of the Community, DCIs should be "intellocrats" who administer specialized secret functions, not to benefit any departmental interests but to advance policies set elsewhere in the executive branch—specifically, the White House.

The DCIs reported to the National Security Council and truly served at the pleasure of the president. Indeed, much of every DCI's influence was directly proportional to his personal relationship with the chief executive. At the same time, and somewhat paradoxically, after incoming presidents began choosing "their" DCIs in 1977, the nonpartisan stature of the DCI diminished and, along with it, his independence. The general rule of "new president, new DCI" did not always translate

into greater influence. The president's national security adviser and the secretaries of state and defense usually still had more access to the Oval Office.

The situation was not much different at Langley. Directors came and went, but bureaucracies stayed. When DCIs tried to “clean house” (Schlesinger and Stansfield Turner) or manage through loyalists from previous jobs (Turner and John Deutch), the result was administrative disarray and low morale. For these reasons and more, no DCI ever had a chance to become as autonomous as J. Edgar Hoover at the FBI, or to be assessed as having more than an episodic impact on US foreign policy achievements.

A LEADERSHIP TYPOLOGY

Can DCIs, then, be regarded as leaders, as opposed to heads of organizations or chief administrators? Was US intelligence noticeably different because a certain individual served as DCI? Did DCIs have—could they have had—a leadership role commensurate with that of their counterparts at the Departments of State and Defense? One way to begin answering those questions is through serial biography and group analysis. In contrast to clandestine services officers, however, DCIs have not been examined in such a fashion. They do not fit into categories like “prudent professionals” and “bold easterners,” and they lack the sociological homogeneity needed to be thought of, or to think of themselves as, a network of “old boys” or, in William Colby's words, “the cream of the academic and social aristocracy.” Biographers attached those labels largely to former operators in the Office of Strategic Services who joined the early CIA and then stayed on—a situation that ap-

plies to only three DCIs (Dulles, Helms, and Colby).¹⁴

This heterogeneity does not mean, however, that the DCIs cannot be analyzed collectively. At least some aspects of the many models applied to political and corporate leaders can be used with the DCIs, although empiricism or utility may suffer—complex personalities and complicated situations are sometimes made less square to fit more easily into the models' round holes, or so many different holes are created that comparisons among individuals become too hard to draw.

A straightforward approach to the DCIs would take into account the institutional and political limitations on their authority, the objectives they were appointed to accomplish, and the personality traits they exhibited and managerial methods they used during their tenures. What were the directors told to do (mission) and how did they go about doing it (style)? With those questions addressed, an evaluation of their effectiveness can be made. How well did the DCIs do what they were expected to do, given their authorities, resources, and access (record)? What “types” of DCIs, if any, have been most successful (patterns)?

Using this perspective, five varieties of DCIs are evident. The first is the administrator-custodian or administrator-technocrat, charged with implementing, fine-tuning, or reorienting intelligence activities under close direction from the White House. Examples of this type have been Souers, Roscoe Hillenkoetter, William Raborn, Woolsey, Deutch, and George Tenet. Usually appointed at a time of uncertainty about the Intelligence Community's roles and capabilities (the late 1940s and the mid-1990s), these DCIs tried

to maintain stability in the CIA's relationships with other Community agencies, Congress, and the public. Their main goal was to do better with what they already had, and to avoid distractions and scandals. Except for Raborn, all of these administrators had experience with intelligence affairs, but they were not intelligence careerists. Some had a very low-key style, almost to the point of acting like placeholders and time-servers (Hillenkoetter, Raborn). Others energetically pursued administrative changes designed to make the CIA and the Community more responsive to policymakers and better adapted to a new political environment (Deutch, Tenet).

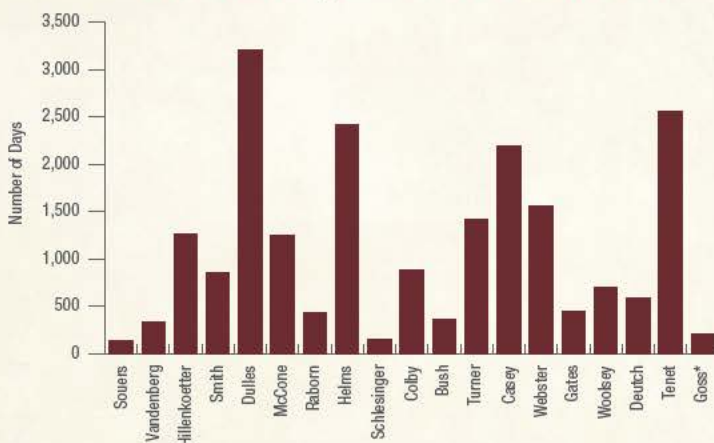
The next type is the intelligence operator—DCIs who were current or former professional intelligence officers tasked with devising, undertaking, and overseeing an extensive array of covert action, espionage, and counterintelligence programs in aggressive pursuit of US national security policy. Three DCIs fit this category: Dulles, Helms, and Casey. The presidents they served had no qualms about using all of the US government's clandestine capabilities against America's adversaries,

and they relied on their DCIs' knowledge of and experience with operations to help them accomplish that end. The DCI as intelligence operator may have emphasized different secret activities depending on individual backgrounds and predilections, and the targets they worked against. For example, Dulles and Casey were devotees of covert action, while Helms preferred to work with espionage and counterintelligence. Because of the prominent place clandestine affairs had in American foreign policy when they served, this type of DCI generally served longer by far—seven years on average—than any other type.

The high level of secret activity during those long tenures recurrently produced operational mishaps, revelations of “flaps,” and other intelligence failures that hurt the CIA's public reputation and damaged its relations with the White House and Congress. The Bay of Pigs disaster under Dulles, the ineffective covert action in Chile under Helms, and the Iran-Contra scandal under Casey are prominent examples. As journalist James Reston noted during the Agency's dark days in the mid-1970s, DCIs who came up through the ranks might have known more about what CIA should be doing than outsiders, “but they are not likely to be the best men at knowing what it should not be doing.”¹⁵

Failures, indiscretions, and other such controversies in turn have led to the departures of those intelligence-operator DCIs and their replacement by manager-reformers charged with “cleaning up the mess” and preventing similar problems from happening again. There have been two kinds of manager-reformer DCIs. One is the insider—a career intelligence officer who used his experience at the CIA to reorganize its bureaucracy and redirect its

TOTAL NUMBER OF DAYS IN OFFICE FOR DCI/A'S, SOUERS THROUGH GOSS



*21 April 2005, Goss became Director, Central Intelligence Agency after Negroponte took leadership of the US Intelligence Community.

activities during or after a time of political controversy and lack of certitude about its direction. Two DCIs functioned as manager-reformer insiders: Colby and Gates. Colby, an operations veteran with a career dating back to the OSS, sought to rescue the CIA from the political tempests of the mid-1970s and to regain some of the Agency's lost prestige through his policy of controlled cooperation with congressional investigators and targeted termination of questionable activities. Gates, a longtime Soviet analyst who had worked on the NSC in two administrations and also served as deputy director for intelligence, moved the Agency into the post-Cold War era after a period of undynamic leadership.

The other type of manager-reformer is the outsider, who was chosen because of his experience in the military, business, government, or politics to implement a major reorganization of the CIA and the Intelligence Community, or to regroup and redirect the Agency, especially after major operational setbacks or public conflicts over secret activities. Six DCIs were manager-reformer outsiders: Vandenberg, Smith, McCone, Schlesinger, Turner, and Porter Goss. Collectively, they were responsible for more major changes at the CIA (or its predecessor, the Central Intelligence Group [CIG]) than any other category of director. For example, under Vandenberg, the CIG acquired its own budgetary and personnel authority, received responsibility for collecting all foreign intelligence (including atomic secrets) and preparing national intelligence analyses, and coordinated all interdepartmental intelligence activities. Smith—in response to intelligence failures before the Korean War and to infighting among operations officers—centralized espionage and covert actions, analysis, and administration by

rearranging the CIA into three directorates and creating the Office of National Estimates. In effect, he organized the Agency into the shape it has today.

Schlesinger and Turner facilitated the departure of hundreds of clandestine services veterans in their quests to streamline the Agency's bureaucracy, lower the profile of covert action, and move the CIA more toward analysis and technical collection. Goss was the only one in the group who had previously worked at the Agency, but he was selected because he headed the intelligence oversight committee in the House of Representatives. Taking over during imbroglios over collection and analytic failures connected with the 9/11 terrorist attacks and assessments of Iraq's weapons of mass destruction, he set about revamping the Agency's work on international terrorism. Most DCIs in this category were far more concerned about achieving their objectives quickly than about angering bureaucratic rivals or fostering ill will among subordinates. Largely because they accomplished so much—or tried to—and did not worry about whom they antagonized along the way, some of them were among the most disliked or hardest to get along with DCIs.

Finally, there are the restorers: George Bush and William Webster. Like the manager-reformer outsiders, they became DCIs after the Agency went through difficult times—they succeeded Colby and Casey, respectively—but they were not charged with making significant changes in the way the CIA did business. Instead, they used their "people skills" and public reputations to raise morale, repair political damage, and burnish the Agency's reputation. Bush, a prominent figure in Republican Party politics, went to Langley to mend the CIA's

relations with Congress and use his amiability to improve esprit de corps and put a more benign face on the Agency. Webster, a director of the FBI and former federal judge, brought a quality of rectitude to an Agency mired in scandal and helped raise its stature in the Community and with the public.

Some DCIs gave early, strong signals about how they intended to run the Agency, as when Casey brought in Max Hugel—a street-savvy, by-the-bootstraps businessman from Brooklyn with no intelligence experience—to shake up the Directorate of Operations. Sometimes, DCIs gave smaller, but no less telling, signs. On one of his early trips overseas, McCone was in a European capital when an Agency duty officer called late at night to say that a “FLASH/DCI EYES ONLY” cable had just arrived. The message’s contents were so sensitive that whoever delivered the printed copy had to retrieve it and destroy it. The duty officer took the cable to McCone at the hotel where he was staying. The DCI, wearing a bathrobe, read the contents and put the paper in his pocket. The duty officer asked for it back, saying he was supposed to retrieve it for disposal. McCone unfolded the cable, held it up, and asked the officer to tell him who sent it. Reading the “From” line, the officer replied, “Director.” “Right,” McCone said, “and I’m the Director.” He put the cable back in his pocket and said good night.¹⁶

Some DCIs were affable; some were bland; some were blunt. “Beetle” Smith greeted the attendees at his first staff meeting with these words: “It’s interesting to see all you fellows here. It’ll be even more interesting to see how many of you are here a few months from now.” Schlesinger informed Agency veteran John McMahon and his superior, Director

of Science and Technology Carl Duckett, at 9:30 one morning that he had just appointed McMahon to head the Office of Technical Service. Thinking of the time needed for a smooth transition, Duckett suggested, “How about if he starts at the first of the month?” Schlesinger answered, “How about at 10:00?”¹⁷

And the contrasts continue. Some DCIs tried hard to be true directors of the Intelligence Community, even though the jobs of the DCI as Community manager and head of the CIA historically were competing, not complementary, roles.¹⁸ Others chose to run the Agency primarily and went about their Community functions as an aside. Some DCIs emphasized analysis over operations and intensely scrutinized the Directorate of Intelligence’s products. Others placed operations over analysis and reveled in war stories rather than estimates. According to Richard Lehman, a senior officer in the Directorate of Intelligence, Allen Dulles “had a habit of assessing estimates by weight. He would heft them and decide, without reading them, whether or not to accept them.”¹⁹ Some directors were hard charging, strong willed, and ambitious, with mandates and agendas for change; others went about their work in a quieter, nonconfrontational fashion; and a few barely left a mark. Some DCIs tried to resolve the Agency’s “culture wars” between the “spooks” and the scholars, and between the so-called “prudent professionals” who ran spies and the “cowboys” who did covert action—but most left that internal sociology alone. Some sought a policymaking role; others spurned it. And while some DCIs were inclined to convey perils and forebodings to their customers, others were more helpful at clarifying ambiguities and assessing alternatives.

OUT OF THE SHADOWS

One defining characteristic of the DCIs was that they were the most unsecret heads of any secret agency in the world. DCIs lived in the nebulous zone between secrecy and democracy, clandestinely and openness. They headed the world's first publicly acknowledged intelligence service. While some countries guard the identities of their intelligence chiefs, the DCIs were public figures, held to account for what the CIA, and to some extent the Community, did and did not do. The whole process of vetting a prospective DCI was uniquely transparent among intelligence services. His confirmation hearings usually were open, and more than a few times were used for partisan purposes and political theater. That phenomenon is not recent. The first controversial confirmation was John McCone's in 1962—the first in which any senators voted against a DCI nominee. After that, two other nominations received significant numbers of “no” votes (Colby and Gates), and four had to be withdrawn (Theodore Sorensen, Gates, Michael Cams, and Anthony Lake).²⁰

The contrast between the two worlds in which DCIs existed—secret and public—fell into stark relief from the mid-1960s to the mid-1970s, when the relationship between intelligence and democracy in the United States underwent a sea change. Statements from two DCIs of that period capture the magnitude of the change. After he was appointed DCI in 1966, Helms said, “I think there's a tradition that the CIA is a silent service, and it's a good one. I think the silence ought to begin with me.”²¹ In 1978, Colby, looking back on the “time of troubles” he had recently suffered through, said that such a “super secretive style of operation had . . . become incompatible with the one I believed essential.”²²

After that, pragmatic openness became the DCIs' watchword in dealing with their political monitors. As the Cold War foreign policy consensus shattered for good, DCIs increasingly had to contend with all the various organs of accountability: special commissions, watchdog groups, the courts, the media, and, most importantly of course, Congress. Later DCIs could scarcely imagine the halcyon days of their predecessors' dealings with Capitol Hill in the 1950s, when oversight was really oversight. It is hard today to envision what it was like in 1956, when Senator Richard Russell, the CIA's longtime friend and protector, said that “If there is one agency of the government in which we must take some matters on faith, without a constant examination of its methods and sources, I believe this agency is the CIA.”

“If there is one agency of the government in which we must take some matters on faith, without a constant examination of its methods and sources, I believe this agency is the CIA.”



In those days, the DCI briefed Congress a handful of times a year at most and almost always left with a figurative, if not literal, blank check. One of the Agency's legislative counsels, John Warner, told of an encounter he and Dulles had with one of the CIA subcommittees in the late 1950s:

It was sort of a crowded room, and [the subcommittee chairman, Representative] Clarence Cannon greets Dulles [with] “Oh, it's good to see you again, Mr. Secretary.” He thinks it's [Secretary of State John] Foster Dulles, or mistakes the name; I don't know. Dulles, he's a great raconteur. He reminds Cannon of this, and Cannon reminds him of that, and they swap stories for two hours.

And at the end, [Cannon asks,] "Well, Mr. Secretary, have you got enough money in your budget for this year [and] the coming year?" [Dulles replies,] "Well, I think we are all right, Mr. Chairman. Thank you very much." That was the budget hearing.²³

The era of congressional benign neglect ended during the period 1974-80, with the adoption of the Hughes-Ryan Amendment requiring a presidential finding for covert actions; the Church and Pike Committee investigations; the establishment of the House and Senate permanent oversight committees; and the passage of the Intelligence Accountabil-

"Bill Clinton remarked that cutting the intelligence budget during peacetime was like canceling your health insurance when you felt good."



ity Act mandating that Congress be "promptly and fully informed" of covert actions. After that flurry, the DCI relationship with Congress was altered forever. For a few eventful years, Casey tried to stand as the immovable object against the irresistible force. As Robert Gates observed, Casey "was guilty of contempt of Congress from the day he was sworn in."²⁴ The trend was soon back on track, however, and by the year 2000, Agency officers were briefing Congress in some fashion an average of five times a day, and the DCI's frequent testimony on the Hill was a headline-grabbing event.

THE FIRST CUSTOMER IS ALWAYS RIGHT

Historically, the most important factor in the life of the DCI was his relationship with the president. The CIA is more of a presidential organization than any other in the US government—a special quality that was both

a boon and a bane to the DCIs. Presidents have their own peculiar appreciation of intelligence and their own way of dealing with the CIA and their DCIs. We have had presidents experienced with intelligence, or who were fascinated with intelligence or with certain kinds of secret information or operations. Other presidents had little experience with intelligence, or did not care about it, or did not like it or the CIA. As former Deputy Director of Central Intelligence Richard Kerr aptly put it, "a number of administrations...started with the expectation that intelligence could solve every problem, or that it could not do anything right, and then moved to the opposite view. Then they settled down and vacillated from one extreme to the other."²⁵

Presidents' relations with their DCIs often followed a similarly erratic course. Some began by regarding the DCI as their senior intelligence adviser and saw him regularly. Occasionally that degree of contact continued; more often, it did not. Other presidents preferred from the start to have their national security advisers function as their principal intelligence officers. A few presidents at least made a bow toward giving their DCIs authority over other Community departments, but in most cases the Community's center of gravity meandered between CIA Headquarters, the Pentagon, Foggy Bottom, and the West Wing.

A few DCIs were close to their presidents; some had cordial, businesslike relationships; some had only infrequent contact; and some had no relationships to speak of. From the start, DCIs had to overcome assorted barriers—physical, administrative, psychological—in their interaction with the presidents. Lawrence "Red" White, the Agency's longtime director of administration, recalled the time

when Dulles told Eisenhower about a possible location for the headquarters building. "We're thinking of tearing down that old brewery [where the Kennedy Center is now] and building it right there." Eisenhower went through the roof. He said, "You are not going to build that building in the District of Columbia. This town is so cluttered up now, you can't get from one end to the other, and you are going to get out of town."²⁶ Then there were the ways presidents chose to run their White Houses: Eisenhower with his rigid military staff structure; John Kennedy and his loose agglomeration of ad hoc working groups and catch-as-catch-can meetings with advisers; Lyndon Johnson's congressional cloakroom approach, in which the "real deals" were made in informal settings outside the National Security Council; and Richard Nixon's notorious "Berlin Wall" of advisers—Henry Kissinger, H. R. Haldeman, and John Ehrlichman—who controlled access to the Oval Office.

DCIs sometimes could work around those kinds of obstacles, most notably by changing the look and content of the daily briefing product—the Central Intelligence Bulletin, the President's Intelligence Checklist, and the President's Daily Brief—and developing more flexible and responsive methods for providing current intelligence and answers to taskings. But even with those improvements, DCIs found it extremely hard to surmount the psychological barriers some presidents erected. What was a DCI to do when Johnson said that "the CIA is made up of boys whose families sent them to Princeton but wouldn't let them into the family brokerage business;" and told Helms, "Dick, I need a paper on Vietnam, and I'll tell you what I want included in it."²⁷ Or when Nixon returned a thick

package of PDBs given to him during the transition period unopened, called Agency officers "clowns," and asked, "What use are they? They've got 40,000 people over there reading newspapers."²⁸

The DCI often served at the clear displeasure of the president, who directed him to act and then often tried to deny—not very plausibly—that he had anything to do with the outcome. Bill Clinton remarked that cutting the intelligence budget during peacetime was like canceling your health insurance when you felt good.²⁹ But chief executives have not always been the best stewards of the resources of the Agency they have so often called on to help implement—and, in more than a few cases, salvage—their foreign policies.

It should be noted, however, that closeness was not an absolute good for the DCIs or a solution to some of these difficulties. Some DCIs paid a cost for being too close, or trying to be. They wore out their welcomes, or became too committed to the success of covert actions, or were accused of politicization, or became



Allen W. Dulles, longest tenured DCI, at November 1959 groundbreaking ceremony for the CIA Original Headquarters building.

linked with controversial policies. It was not an automatic benefit for the Agency or the DCI for him to be able to say, as William Casey did, "You understand, call him Ron."³⁰

HONORABLE MEN

At the cornerstone laying ceremony for the Original Headquarters Building in 1959, President Eisenhower said:

*In war, nothing is more important to a commander than the facts concerning the strength, dispositions, and intentions of his opponent, and the proper interpretation of those facts. In peacetime, the necessary facts ... and their interpretation are essential to the development of policy to further our long-term national security... To provide information of this kind is the task of the organization of which you are a part. No task could be more important.*³¹

For almost 60 years, the DCIs carried out that task in war and peace, in flush times and lean. Amid accolades and scorn. No one of their various leadership styles insured success. Their standing and accomplishments depended on circumstances they could not influence: presidential agendas, world events, and domestic politics. On occasion, with the right conjunction of circumstances and personalities, DCIs reached the inner circle of the national security apparatus; more often, they did not. Throughout, however, they were—in Richard Helms's famous phrase—"honorable men, devoted to [the nation's] service."³²

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- 10 "Statement to the Senate Armed Services Committee, 25 April 1947, National Security Act clipping file, folder 29, CIA Historical Intelligence Collection.
- 11 "Lathrop, 110.
- 12 Stephen E. Ambrose, *Eisenhower the President* (New York: Simon and Schuster, 1984), 227.
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- 15 Renze L. Hoeksema, "The President's Role in Insuring Efficient, Economical, and Responsible Intelligence Services," *Presidential Studies Quarterly*, vol. 8, no. 2 (Spring 1978): 193.
 - 16 Author's conversation with Harold Bean, 30 October 2001.
 - 17 Lathrop, 110. John McMahon, oral history interview by Fenton Babcock, 4 December 1997, 25. (Transcript in CSI Oral History Program files.)
 - 18 See Douglas F. Garthoff, *Directors of Central Intelligence as Leaders of the U.S. Intelligence Community, 1946-2005* (Washington: CIA Center for the Study of Intelligence, 2005).
 - 19 Richard Kovar, "Mr. Current Intelligence: An Interview with Richard Lehman," *Studies in Intelligence* 43 2 (1999-2000): 27.
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 - 22 Colby, 334.
 - 23 John S. Warner, oral history interview by Woodrow Kuhns, 27 September 1996, 48. (Transcript in CSI Oral History Program files.)
 - 24 Robert M. Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York: Simon and Schuster, 1996), 213.
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 - 26 James Hanrahan, "Soldier, Manager, Leader: An Interview with Former Executive Director Lavarrence K. 'Red' White," *Studies in Intelligence* 42 3 (1998): 8-9.
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 - 31 "Our First Line of Defense": *Presidential Reflections on US Intelligence* (Washington: CIA Center for the Study of Intelligence, 1996), 19.
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An era's end:
Donovan and the Interim

August 1945 to January 1946



6 AUGUST.

Atomic Age ushered in with the dropping of the atomic bomb in Hiroshima

25 AUGUST.

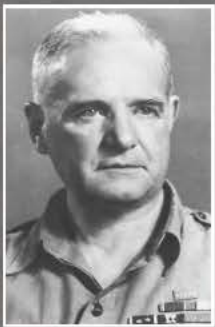
Donovan memo on future US intelligence efforts

15 JANUARY.

Truman awards Donovan with Second Oak Cluster to the Distinguished Service Award

1945

1946



Wild Bill Donovan while serving as Director of OSS.

27 DECEMBER.

Sidney Souers sends Commander Clifford a memo on a proposed "Central Intelligence Agency"

11 NOVEMBER.

Lovett Committee recommends that a centralized intelligence service with an independent budget be established

20 SEPTEMBER.

Truman to Donovan memo dissolving OSS-SSU

The Creation of the Central Intelligence Group

Michael Warner

Editor's Note: This article is an expanded version of one that appeared under the same title in the fall 1995 edition of *Studies in Intelligence*.

January 1996 marked the 50th anniversary of President Truman's appointment of the first Director of Central Intelligence (DCI) and the creation of the Central Intelligence Group (CIG), CIA's institutional predecessor. The office diary of the President's chief military adviser, Flt. Admr. William D. Leahy, records a rather unexpected event on 24 January 1946:

At lunch today in the White House, with only members of the Staff present, RAdm. Sidney Souers and I were presented [by President Truman] with black cloaks, black hats, and wooden daggers, and the President read an amusing directive to us outlining some of our duties in the Central Intelligence Agency [sic], "Cloak and Dagger Group of Snoopers."¹

With this whimsical ceremony, President Truman christened Admiral Souers as the first DCI.

The humor and symbolism of this inauguration would have been lost on many veterans of the Office of Strategic Services (OSS), the big intelligence and covert action agency that Truman had suddenly dismantled at

the end of World War II, only four months earlier. CIG inevitably suffered (and still suffers) from comparisons with OSS. The Group began its brief existence with a phony cape and a wooden dagger. It was a bureaucratic anomaly with no independent budget, no statutory mandate, and staffers assigned from the permanent departments of the government. Nevertheless, CIG grew rapidly and soon gained a fair measure of organizational autonomy. The Truman administration invested it with the two basic missions of strategic warning and coordination of clandestine activities abroad, although interdepartmental rivalries prevented the Group from performing either mission to the fullest. Strategic warning and clandestine activities are the two basic missions of today's CIA.

Historical accounts of Truman's dissolution of OSS and creation of CIG have concentrated on assigning credit to certain actors and blame to their opponents and rivals. The passage of time and the gradually expanding availability of sources, however, promise to foster more holistic approaches to this subject.

The problem for the Truman administration that fall of 1945 was that no one, including the President, knew just what he wanted, while each department and intelligence service knew fully what sorts of results it

wanted to avoid. With this context in mind, it is informative to view the formation of CIG with an eye toward the way administration officials preserved certain essential functions of OSS and brought them together again in a centralized, peacetime foreign intelligence agency. Those decisions created a permanent intelligence structure that, while still incomplete, preserved some of the most useful capabilities of the old OSS while resting on a firmer institutional foundation.

FROM WAR TO PEACE

Before World War II, the US Government had not seen fit to centralize either strategic warning or clandestine activities, let alone combine both missions in a single organization. The exigencies of global conflict persuaded Washington to build a formidable intelligence apparatus in Maj. Gen. William J. Donovan's Office of the Coordinator of Information (renamed OSS in 1942), America's first nondepartmental Intelligence arm. As such, it encountered resentment from such established services as the FBI and the Military Intelligence Division of the War

Department General Staff (better known as the G-2).

General Donovan advocated the creation of a limited but permanent foreign intelligence service after victory, mentioning the idea at several points during the war.⁴ President Roosevelt made no promises, however, and, after Roosevelt's death in April 1945 and the German surrender that May, President Truman felt no compulsion to keep OSS alive. He disliked Donovan (perhaps fearing that Donovan's proposed intelligence establishment might one day be used against Americans).⁵ The President and his top military advisers also knew that America's wartime intelligence success had been built on cryptologic successes, in which OSS had played only a supporting role. Signals intelligence was the province of the Army and Navy, two jealous rivals that only barely cooperated; not even General Donovan contemplated centralized, civilian control of this field.

Truman could have tried to transform OSS into a central intelligence service conducting clandestine collection, analysis, and operations abroad. He declined the opportunity and dismantled OSS instead. Within three years, however, Truman had overseen the creation of a central intelligence service conducting clandestine collection, analysis, and operations abroad. Several authors have concluded from the juxtaposition of these facts that Truman dissolved OSS out of ignorance, haste, and pique, and that he tacitly admitted his mistake when he endorsed the reassembly of many OSS functions in the new CIA. Even Presidential aide Clark Clifford has complained that Truman "prematurely, abruptly, and unwisely disbanded the OSS."⁶



The magnitude of US Government's war-time functions demanded the construction of temporary buildings on the National Mall.

A look at the mood in Washington, however, places Truman's decision in a more favorable light. At the onset of the postwar era, the nation and Congress wanted demobilization—fast. OSS was already marked for huge reductions because so many of its personnel served with guerrilla, commando, and propaganda units considered extraneous in peacetime. Congress regarded OSS as a temporary “war agency,” one of many bureaucratic hybrids raised for the national emergency that would have to be weeded out after victory. Indeed, early in 1945 Congress passed a law requiring the White House to seek a specific Congressional appropriation for any new agency operating for longer than 12 months. This obstacle impeded any Presidential wish to preserve OSS or to create a permanent peacetime intelligence agency along the lines of General Donovan's plan—a path made even slicker by innuendo, spread by Donovan's rivals, that the General was urging the creation of an “American Gestapo.”

Truman had barely moved into the Oval Office when he received a scathing report on OSS. (Indeed, this same report might well have been the primary source for the above mentioned innuendo.) A few months before he died, President Roosevelt had asked an aide, Col. Richard Park, Jr., to conduct an informal investigation of OSS and General Donovan. Colonel Park completed his report in March, but apparently Roosevelt never read it. The day after Roosevelt's death, Park attended an Oval Office meeting with President Truman. Although no minutes of their discussion survived, Park probably summarized his findings for the new President; in any event, he sent Truman a copy of his report on OSS at about that time. That document castigated OSS for bum-

bling and lax security, and complained that Donovan's proposed intelligence reform had “all the earmarks of a Gestapo system.” Park recommended abolishing OSS, although he conceded that some of the Office's personnel and activities were worth preserving in other agencies. OSS's Research and Analysis Branch in particular could be “salvaged” and given to the State Department.¹⁰ Donovan himself hardly helped his own cause. OSS was attached to the Executive Office of the President but technically drew its orders and pay from the Joint Chiefs of Staff (JCS). Donovan refused to compromise on his proposals with JCS representatives delegated to study postwar intelligence needs. He insisted that a permanent intelligence arm ought to answer directly to the President and not to his advisers.¹¹ The Joint Chiefs had already rescued Donovan once, when the G-2 had tried to subsume OSS in 1943. This time the White House did not ask the Joint Chiefs' opinion. The JCS stood aside and let the Office meet its fate.

TAKING THE INITIATIVE

The White House evidently concluded that the problem was how to create a new peacetime intelligence organization without Donovan and his Office. Many senior advisers in the Roosevelt and Truman administrations believed that the nation needed some sort of permanent intelligence establishment. The Bureau of the Budget took up this issue shortly before President Roosevelt's death, presenting itself to Roosevelt as a disinterested observer and creating a small team to study the government's intelligence requirements and recommend possible reforms. Soon after he took office, Truman endorsed the Budget Bureau's effort.¹²

“In the meantime,
Donovan fumed
about the
President’s decision...”



In August, the Budget Bureau began drafting liquidation plans for OSS and other war agencies, but initially the Bureau assumed that liquidation could be stretched over a period of time sufficient to preserve OSS’s most valuable assets while the Office liquidated

functions and released personnel no longer needed in peacetime.

On 27 or 28 August, however, the President or his principal “reconversion” advisers—Budget Director

Harold D. Smith, Special Counsel Samuel Rosenman, and Director of War Mobilization and Reconversion John W. Snyder—suddenly recommended dissolving OSS almost immediately. Bureau staffers had already conceived the idea of giving a part of OSS, the Research and Analysis Branch (R&A), to the State Department as “a going concern.” The imminent dissolution of OSS meant that something had to be done fast about the rest of the Office; someone in the Budget Bureau (probably the Assistant Director for Administrative Management, Donald C. Stone) quickly decided that the War Department could receive the remainder of OSS “for salvage and liquidation.” Stone told frustrated OSS officers on 29 August that important functions of the Office might survive:

Stone stated that he felt that the secret and counterintelligence activities of OSS should probably be continued at a fairly high level for probably another year. He said he would support such a program.¹⁵

Snyder and Rosenman endorsed the Budget Bureau’s general plan for intelligence reorganization and passed it to Truman on 4 Septem-

ber 1945.¹⁶ Donovan predictably exploded when he learned of the plan, but the President ignored Donovan’s protests, telling Harold Smith on 13 September to “recommend the dissolution of Donovan’s outfit even if Donovan did not like it.”¹⁷ Within a week, the Budget Bureau had the requisite papers ready for the President’s signature. Executive Order 9621 on 20 September dissolved OSS as of 1 October 1945, sending R&A to State and everything else to the War Department. The Order also directed the Secretary of War to liquidate OSS activities “whenever he deems it compatible with the national interest.” That same day, Truman sent a letter of appreciation (drafted by Donald Stone) to General Donovan. The transfer of OSS’s R&A Branch to the State Department, the President told Donovan, marked “the beginning of the development of a coordinated system of foreign intelligence within the permanent framework of the Government.” The President also implicitly repeated Stone’s earlier assurances to OSS, informing Donovan that the War Department would maintain certain OSS components providing “services of a military nature the need for which will continue for some time.”²⁰

OSS was through, but what would survive the wreck? The President probably gave little thought to those necessary “services of a military nature” that would somehow continue under War Department auspices. Truman shared the widespread feeling that the government needed better intelligence, although he provided little positive guidance on the matter and said even less about intelligence collection (as opposed to its collation). He commented to Budget Director Harold Smith in September 1945 that he had in mind “a different kind of intelligence service from what this country

has had in the past," a "broad intelligence service attached to the President's office." Later remarks clarified these comments slightly. Speaking to an audience of CIA employees in 1952, Truman reminisced that, when he first took office, there had been:

...no concentration of information for the benefit of the President. Each Department and each organization had its own information service, and that information service was walled off from every other service."²²

Truman's memoirs subsequently expanded on this point, explaining what was at stake:

I have often thought that if there had been something like coordination of information in the government it would have been more difficult, if not impossible, for the Japanese to succeed in the sneak attack at Pearl Harbor. In those days [1941] the military did not know everything the State Department knew, and the diplomats did not have access to all the Army and Navy knew."²³

These comments suggest that Truman viewed strategic warning as the primary mission of his new intelligence establishment, and as a function that had to be handled centrally. His remarks also suggest that he innocently viewed intelligence analysis as largely a matter of collation; the facts would speak for themselves, if only they could only be gathered in one place. That is what he wanted his new intelligence service to do.

The Budget Bureau itself had not proposed anything that looked much clearer than the President's vague notions. Bureau staffers wanted the State Department to serve as the President's "principal staff agency" in devel-

oping "high-level intelligence," after taking the lead in establishing the "integrated Government-wide Program." At the same time, however, Budget Bureau officers wanted the departments to continue to conduct their own intelligence functions, rather than relegating this duty to "any single central agency." A small interagency group, "under the leadership of the State Department," could coordinate departmental intelligence operations. This proposed program rested on two assumptions that would soon be tested: that the State Department was ready to take the lead, and that the armed services were willing to follow.

In the meantime, Donovan fumed about the President's decision yet again to Budget Bureau staffers who met with him on 22 September to arrange the details of the OSS's dissolution. An oversight in the drafting of EO 9621 had left the originally proposed termination date of 1 October unchanged in the final signed version, and now Donovan had less than two weeks to dismantle his sprawling agency. One official of the Budget Bureau subsequently suggested to Donald Stone that the War Department might ease the transition by keeping its portion of OSS functioning "for the time being," perhaps even with Donovan in charge. Stone preferred someone other than Donovan for this job and promised to discuss the idea with Assistant Secretary of War John J. McCloy on 24 September.

Two days later, McCloy stepped into the breach. He glimpsed an opportunity to save OSS components as the nucleus of a peacetime intelligence service. A friend of Donovan's, McCloy had long promoted an improved national intelligence capability. He interpreted the President's directive as broadly as possible by ordering OSS's Deputy Director for Intel-

ligence, Brig. Gen. John Magruder, to preserve his Secret Intelligence (SI) and Counterespionage (X-2) Branches “as a going operation” in a new office that McCloy dubbed the “Strategic Services Unit” (SSU):

This assignment of the OSS activities...is a method of carrying out the desire of the President, as indicated by representatives of the Bureau of the Budget, that these facilities of OSS be examined over the next three months with a view to determining their appropriate disposition. Obviously, this will demand close liaison with the Bureau of the Budget, the State Department, and other agencies of the War Department, to insure that the facilities and assets of OSS are preserved for any possible future use... The situation is one in which the facilities of an organization, normally shrinking in size as a result of the end of fighting, must be preserved so far as potentially of future usefulness to the country.

The following day, the new Secretary of War, Robert P. Patterson, confirmed this directive and implicitly endorsed McCloy’s interpretation, formally ordering Magruder to “preserve as a unit such of these functions and facilities as are valuable for permanent peacetime purposes” [emphasis added]. “With this order, Patterson postponed indefinitely any assimilation of OSS’s records and personnel into the War Department’s G-2.

General Magruder soon had to explain this unorthodox arrangement to sharp-eyed Congressmen and staff. Rep. Clarence Cannon, chairman of the House Appropriations Committee, asked the general on 2 October about the OSS contingents sent to the State and War Departments and the plans for dis-

posing of OSS’s unspent funds (roughly \$4.5 million). Magruder explained that he did not quite know what State would do with R&A; when Cannon asked about the War Department’s contingent, the general read aloud from the Secretary of War’s order to preserve OSS’s more valuable functions “as a unit.” Two weeks later, staffers from the House Military Affairs Committee asked why the War Department suddenly needed both SSU and the G-2:

General Magruder explained that he had no orders to liquidate OSS (other than, of course, those functions without any peacetime significance) and that only the Assistant Secretary of War [McCloy] could explain why OSS had been absorbed into the War Department on the basis indicated. He said he felt, however,...that the objective was to retain SSU intact until the Secretary of State had surveyed the intelligence field and made recommendations to the President.

Committee staff implicitly conceded that the arrangement made sense, but hinted that both SSU and the remnant of R&A in the State Department ought to be “considerably reduced in size.”

Reducing SSU is just what was occupying the unit’s new Executive Officer, Col. William W. Quinn:

The orders that General Magruder received from the Secretary of War were very simple. He was charged with preserving the intelligence assets created and held by OSS during its existence and the disbandment of paramilitary units, which included the 101 Detachment in Burma and Southeast Asia and other forms of intelligence units, like the Jedburgh teams, and morale operations,

*et cetera. My initial business was primarily liquidation. The main problem was the discharge of literally thousands of people. Consequently, the intelligence collection effort more or less came to a standstill...*³²

Magruder did his best to sustain morale in the Unit, keeping his deputies informed about high-level debates over “the holy cause of central intelligence,” as he jocularly dubbed it. He suggested optimistically that SSU would survive its current exile:

*In the meantime I can assure you there is a great deal of serious thinking in high places regarding the solution that will be made for OSS [SSU]. I hope it will prove fruitful. There is a very serious movement under way to reconstruct some of the more fortunate aspects of our work.*³³

Despite Magruder’s and Quinn’s efforts, the House of Representatives on 17 October lopped \$2 million from the OSS terminal budget that SSU shared with the Interim Research and Intelligence Service (IRIS), its erstwhile sister branch now set in the Department of State. The cut directly threatened both SSU and IRIS. The Truman administration eventually convinced Congress to drop the House’s recision and even increase funding for both pieces of OSS, but not until after several anxious weeks in SSU and the War Department.

Institutional enemies closer to hand also seemed to threaten SSU’s independence that fall. Just before Thanksgiving, McCloy warned Secretary Patterson that only “close supervision” could prevent the War Department bureaucracy from taking “the course of least resistance by merely putting [SSU] into what I think is a very unimaginative section of G-2



Brigadier General John Magruder, who had the thankless task of trying to follow the directives of Assistant Secretary of War, John J. McCloy, while addressing the House Appropriation Committee’s questions on unspent OSS funds and specific OSS personnel.

and thus los[ing] a very valuable and necessary military asset.” General Magruder told his lieutenants that SSU was quietly winning friends in high places, but repeatedly reminded staffers of the need for discretion, noting that “some people” did not like SSU “and the less said about [the Unit] the better.”

CONTROVERSY AND COMPROMISE

McCloy (with Stone’s help) had precipitated an inspired bureaucratic initiative that would eventually expand the Truman administration’s options in creating a new intelligence establishment. Amid all the subsequent interagency debates over the new intelligence establishment that autumn, SSU preserved OSS’s foreign intelligence assets for eventual transfer to whichever agency received this responsibility. The Truman administration waged a heated internal argument over which powers to be given to the new central intelligence service. The Secretaries of State,

War, and Navy, who quickly agreed that they should oversee the proposed office, stood together against rival plans proposed by the Bureau of the Budget and the FBI. The Army and Navy, however, would not accept the State Department's insistence that the new office's director be selected by and accountable to the Secretary of State. The armed services instead preferred a plan outlined by the JCS back in September, which proposed lifting the new intelligence agency outside the Cabinet departments by placing it under a proposed National Intelligence Authority.

This was the plan that would soon settle the question of where to place SSU. The JCS had been working on this plan for months, having been spurred to action by Donovan's 1944 campaigning for a permanent peacetime intelligence agency. In September, JCS Chairman William Leahy had transmitted the plan (JCS 1181/5) to the Secretary of the Navy and the Secretary of War, who sent it on to the State Department, where it languished for several weeks. The plan proposed, among other things, that a new "Central Intelligence Agency" should, among its duties, perform:

*...such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished by a common agency, including the direct procurement of intelligence.*³⁸

This artful ambiguity—"services of common concern"—meant espionage and liaison with foreign intelligence services, the cote of clandestine foreign intelligence. Everyone involved with the draft knew this, but no one in the administration or the military wanted to say such things out loud; hence, the obfuscation.³⁹ In any case, here was another function that

the drafters of the JCS plan felt had to be performed, or at least coordinated, "centrally." In December 1945, an impatient President Truman asked to see both the State Department and the JCS proposals and decided that the latter looked simpler and more workable. This decision dashed the Budget Bureau's original hope that the State Department would lead the government's foreign intelligence program. Early in the new year, Truman created the CIG, implementing what was in essence a modification of the JCS 1181/5 proposal. He persuaded Capt. (soon to be Rear Admiral) Sidney Souers, the Assistant Chief of Naval Intelligence and a friend of Navy Secretary Forrestal (and Presidential aide Clark Clifford) who had advised the White House on the intelligence debate, to serve for a few months as the first DCI.⁴⁰ The CIG formally came into being with the President's directive of 22 January 1946. Cribbing text from JCS 1181/5, the President authorized CIG to:

*...perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.*⁴¹

Here was the loaded phrase "services of common concern" again, only this time the telltale clause "including the direct procurement of intelligence" had discreetly disappeared. (With minor editing, the phrase would appeal yet again in the CIA's enabling legislation, the National Security Act of 1947.)

Two days later, on 24 January, Truman invited Admiral Souers to the White House to award him his black cape and wooden dagger. Thanks in part to McCloy's order to preserve

OSS's SI and X-2 Branches, the "cloak and dagger" capability—the services of common concern" mentioned in the President's directive—was waiting in the War Department for transfer to the new CIG. General Magruder quietly applauded Souers's appointment as DCI, explaining to his deputies that SSU might soon be moving:

With respect to SSU, we and the War Department are thinking along the same lines: that at such time as the Director [of Central Intelligence] is ready to start operating, this Unit, its activities, personnel, and facilities will become available to the Director, but as you know, the intent of the President's [22 January] directive was to avoid setting up an independent agency. Therefore, the Central Intelligence Group, purposely called the Group, will utilize the facilities of several Departments. This Unit will become something in the way of a contribution furnished by the War Department.⁴²

Assistant Secretary of War John J. McCloy had saved the foreign intelligence core of OSS in the SSU; all that was required was for the National Intelligence Authority to approve a method for transferring it. This the NIA did at its third meeting, on 2 April 1946.⁴³ The actual transfer of SSU personnel began almost as soon as CIG had acquired a new DCI, Lt. Gen. Hoyt S. Vandenberg, in June 1946. Vandenberg a month later was able to report matter of factly to the National Intelligence Authority that the tiny CIG had begun to take over "all clandestine foreign intelligence activities," meaning the much larger SSU. At that same meeting, Admiral Leahy also reminded participants (in a different context) that "it was always understood that CIG eventually would broaden its scope."⁴⁴

FROM SMALL BEGINNINGS

An eminent historian once remarked that the crowning achievement of historical research is to attain an understanding of how things do not happen. To put it simply, history rarely offers up tidy events and clear motivations. President Truman did not follow a neat plan in founding the CIG. He implicitly imposed two broad requirements on his advisers and departments in the fall of 1945: to create a structure that could collate the best intelligence held by the various departments, and to make that structure operate, at least initially, on funds derived from the established agencies. Indeed, the friction and waste in the process that resulted from this vague guidance prompted complaints that the President had acted rashly in dissolving OSS and ignoring the advice of intelligence professionals like Donovan.

In the fall of 1945, the President vaguely wanted a new kind of centralized intelligence service, but his Cabinet departments and existing services knew fairly specifically what kinds of central intelligence they did not want. Between these two realities lay the gray area in which the CIG was founded and grew in 1946. Truman always took credit for assigning CIG the task of providing timely

strategic warning and guarding against another Pearl Harbor. CIG acquired its second mission—the conduct of clandestine activities abroad—in large part through the foresight of Donald Stone and John J. McCloy. These two appointees ensured that trained OSS person-

"Two days later, on 24 January, Truman invited Admiral Souers to the White House to award him his black cape and wooden dagger."

nel stayed together as a unit ready to join the new peacetime intelligence service. Within months of its creation, CIG had become the nation's primary agency for strategic warning and the management of clandestine activities abroad, and within two years the Group would bequeath both missions to its successor, the CIA.

The relationship—and tension—between the two missions (strategic warning and clandestine activities) formed the central dynamic in the unfolding early history of CIA. Many officials thought the two should be handled “centrally”, although not necessarily by a single agency. That they ultimately were combined under one organization (CIG and then CIA) was due largely to the efforts of McCloy and Magruder. Nevertheless, it is clear from the history of the SSU that high-level Truman administration officials acted with the tacit assent of the White House in preserving OSS's most valuable components to become the nucleus of the nation's foreign intelligence

capability. The President's actions do not deserve the charge of incompetence that has been leveled against them, but it does seem justified to conclude that Truman's military advisers deserve most of the credit for the creation of a CIG that could collect as well as collate foreign intelligence.



President Harry S. Truman presenting General William J. Donovan with the Oak Leaf Cluster to his Distinguished Service Cross on 11 January 1946. Their relationship, which had always been unsteady, reached a new low after Truman dissolved the OSS on 1 October 1945, a little over three months prior to this photograph.

- 1 Diary of William D. Leahy, 24 January 1946, Library of Congress. Admiral Leahy was simultaneously designated the President's representative to the new, four-member National Intelligence Authority (CIG's oversight body). The other members were the Secretaries of State, War, and Navy.
- 2 A recent unclassified statement to CIA employees entitled “Vision, Mission, and Values of the Central Intelligence Agency” identified the following as CIA's basic missions:
 - “We support the President, the National Security Council, and all who make and execute US national security policy by:
 - Providing accurate, evidence-based comprehensive and timely foreign intelligence related to national security; and
 - Conducting counterintelligence activities, special activities, and other functions related to foreign intelligence and national security as directed by the President.”
- 3 Several authors describe the founding and institutional arrangements of CIG. Three CIA officers had wide access to the relevant records in writing their accounts; see Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park, PA: Pennsylvania State University Press, 1990); Thomas F. Troy, *Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency* (Washington, DC: CIA Center for the Study of Intelligence, 1981); and Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950-February 1953* (University Park, PA: Pennsylvania State University Press, 1992), pp. 15-35. See also Bradley F. Smith, *The Shadow Warriors: OSS and the Origins of the CIA* (New York: Basic Books, 1983). B. Nelson MacPherson offers thoughtful commentary in “CIA Origins as

- Viewed from Within," *Intelligence and National Security*, 10 April 1995, pp. 353-359.
- 4 Donovan's "Memorandum for the President," 18 November 1944, is reprinted in Troy, *Donovan and the CIA*, pp. 445-447.
 - 5 Richard Dunlop, *Donovan: America's Master Spy* (Chicago: Rand McNally, 1982), pp. 467-468. See also Troy, *Donovan and the CIA*, p. 267.
 - 6 Clark Clifford, it bears noting, played little if any role in the dissolution of OSS; see *Counsel to the President: A Memoir* (New York: Random House, 1991, p. 165). William R. Corson calls the affair a "sorry display of presidential bad manners and shortsightedness"; *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: Dial Press, 1977), p. 247.
 - 7 The Bureau of the Budget had warned Donovan in September 1944 that OSS would be treated as a war agency to be liquidated after the end of hostilities. See Troy, *Donovan and the CIA*, pp. 219-220.
 - 8 The legislation was titled the "Independent Offices Appropriation Act of 1945," Public Law 358, 78th Congress, Second Session.
 - 9 For an indication of the mixed Congressional attitudes toward OSS, see Smith, *The Shadow Warriors*, pp. 404-405.
 - 10 The Park report resides in the Rose A. Conway Files at the Harry S. Truman Library, "OSS/Donovan" folder; see especially pp. 1-3 and Appendix III. Thomas F. Troy has pointed to strong similarities between the Park report and Walter Trohan's "Gestapo" stories in the *Chicago Tribune*; see *Donovan and the CIA*, pp. 267, 282.
 - 11 Montague, *General Walter Bedell Smith*, pp. 19-21. For more on Donovan's refusal to compromise, see Troy, *Donovan and the CIA*, pp. 270-271.
 - 12 George F. Schwarzwalder, Division of Administrative Management, Bureau of the Budget, project completion report, "Intelligence and Internal Security Program of the Government" [Project 217], 28 November 1947, National Archives and Records Administration, Record Group 51 (Bureau of the Budget), Series 39.35, "Progress Reports," Box 181, p. 5.
 - 13 George Schwarzwalder recorded several years later that the Budget Bureau learned on 24 August that OSS would be dissolved; see his 1947 progress report on Project 217, cited above, p. 9.
 - 14 Donald C. Stone, Assistant Director for Administrative Management, Bureau of the Budget, to Harold Smith, Director, "Termination of the Office of Strategic Services and the Transfer of its Activities to the State and War Departments," 27 August 1945, reproduced in C. Thomas Thorne, Jr. and David S. Patterson, editors *Emergence of the Intelligence Establishment*, US Department of State, *Foreign Relations of the United States* series (Washington, DC: Government Printing Office, 1996), pp. 22-23. Hereinafter cited as FRUS.
 - 15 G.E. Ramsey, Jr., Bureau of the Budget, to Deputy Comptroller McCandless, "Conference on OSS with Don Stone and OSS representatives, Aug. 29," 29 August 1945, National Archives and Records Administration, Record Group 51 (Bureau of the Budget), Series 39.19, "OSS Organization and Functions," Box 67.
 - 16 Smith, Rosenman, and Snyder to Truman, "Termination of the Office of Strategic Services and the Transfer of its Activities to the State and War Departments," 4 September 1945, Official File, Papers of Harry S. Truman, Harry S. Truman Library, Independence, Missouri.
 - 17 The quoted phrase comes from Harold Smith's office diary for 13 September 1945, in the Franklin D. Roosevelt Presidential Library, Hyde Park, New York.
 - 18 Executive Order 9621, 20 September 1945, FRUS pp. 44-46
 - 19 Stone's authorship is noted in Corson, *Armies of Ignorance*, p. 246.
 - 20 Harry S. Truman to William J. Donovan, 20 September 1945; Document 4 in Michael Warner, *The CIA under Harry Truman* (Washington, DC: CIA, 1994) p. 15. See also Troy, *Donovan and the CIA*, pp. 302-303.
 - 21 Harold Smith's office diary entries for 13 and 20 September 1945, Roosevelt Library.
 - 22 Truman's speech is reprinted as Document 81 in Warner, *The CIA under Harry Truman*, p. 471.
 - 23 Harry S. Truman, *Memoirs*, Volume II, *Years of Trial and Hope* (Garden City, NY: Doubleday, 1956), p. 56.
 - 24 Quoted phrases are in Snyder, Rosenman, and Smith to Truman, 4 September 1945.
 - 25 Harold D. Smith to Harry S. Truman, "Transfer of Functions of the Office of Strategic Services," 18 September 1945, Official File, Papers of Harry S. Truman, Harry S. Truman Library.
 - 26 G.E. Ramsey, Jr., Bureau of the Budget, to the

- Assistant Director for Estimates, Bureau of the Budget, "Disposition of OSS," 24 September 1945, *FRUS*, pp. 51-52.
- 27 For McCloy's advocacy of a centralized intelligence capability, see Kai Bird, *The Chairman: John J. McCloy, the Making of the American Establishment* (New York: Simon & Schuster, 1992), pp. 129-130.
- 28 John J. McCloy to John Magruder, OSS, "Transfer of OSS Personnel and Activities to the War Department and Creation of Strategic Services Unit," 26 September 1945, *FRUS*, pp. 235-236.
- 29 Robert P. Patterson to John Magruder, 27 September 1945, National Archives and Records Administration, Record Group 319 (Army Intelligence), Decimal File 1941-48, 334 OSS, box 649, "Strategic Services Unit" folder.
- 30 US House of Representatives, House Appropriations Committee, "First Supplemental Surplus Appropriation Recision Bill, 1946," 79th Cong., First Sess., 1945, pp. 615-625.
- 31 John R. Schoemer, Jr., Acting General Counsel, Strategic Services Unit, memorandum for the record, "Conference with representatives of House Military Affairs Committee," 19 October 1945, CIA History Staff HS/CSG-1400, item 14, unclassified.
- 32 William W. Quinn, *Buffalo Bill Remembers: Truth and Courage* (Fowlerville, MI: Wilderness Adventure Books, 1991), p. 240.
- 33 SSU Staff Meeting Minutes, 23 October 1945, National Archives and Records Administration, Record Group 226 (OSS), Entry 190, WASH-DIR-OP-266 (microfilm M1642), Roll 112, folder 1268. General Magruder made his "holy cause" quip at the 29 November meeting.
- 34 SSU Staff Meeting Minutes for 19 October, 30 October, and 20 December 1945. Harry S. Truman to Sam Rayburn, Speaker of the House of Representatives, 7 November 1945, reprinted in US House of Representatives, "House Miscellaneous Documents II," 79th Cong., 1st Sess., serial set volume 10970, document 372, with attached letter from Harold D. Smith, Director of the Bureau of the Budget, to President Truman, dated 6 November 1945. First Supplemental Surplus Appropriation Recession Act, 1946, Public Law 79-301, Title 1, 60 Stat. 6, 7, (1946).
- 35 McCloy to Patterson, "Central Intelligence Agency," 13 November 1945, National Archives and Records Administration, Record Group 107 (War Department), Entry 180, Files of the Assistant Secretary of War, box 5, "Intelligence" folder.
- 36 SSU Staff Meeting Minutes for 1 November, 6 November, and 29 November 1945.
- 37 Troy, *Donovan and the CIA*, pp. 297-300, 315, 322.
- 38 JCS 1181/5 is attached to William D. Leahy, memorandum for the Secretary of War and Secretary of the Navy, "Establishment of a central intelligence service upon liquidation of OSS," 19 September 1945; Document 2 in Warner, *The CIA under Harry Truman*, p. 5.
- 39 The term "services of common concern" apparently originated with OSS's General Magruder and was adopted by a JCS study group; Troy, *Donovan and the CIA*, p. 233.
- 40 Truman, *Memoirs*, pp. 55-58. See also William Henhoeffler and James Hanrahan, "Notes on the Early DCIs," *Studies in Intelligence* (spring 1989), p. 29; also Clifford, *Counsel to the President*, p. 166.
- 41 President Truman to the Secretaries of State, War, and Navy, 22 January 1946; *FRUS*, pp. 179-179.
- 42 SSU Staff Meeting Minutes, 29 January 1946; Magruder praised Souers's appointment at the 24 January meeting.
- 43 National Intelligence Authority, minutes of the NIA's third meeting, 2 April 1946, CIA History Staff HS/HC-245, National Archives and Records Administration, Record Group 263 (CIA), History Staff Source Collection.
- 44 National Intelligence Authority, minutes of the NIA's fourth meeting, 17 July 1946; Document 13 in Warner, *The CIA under Harry Truman*, pp. 56-59.

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DATE: 2001

LETTER FROM PRESIDENT TRUMAN

TO GENERAL DONOVAN

20 September 1945

The letter belongs in this collection of documents because of its reference in the third paragraph to "the development of a coordinated system of foreign intelligence within the permanent framework of the Government." If it were indicative of nothing else this statement would show that the idea of having an American peace-time, centralized intelligence service had gained sufficient acceptability to permit of public mention without danger of again exciting cries of "Gestapo."

The letter is also interesting because of its clear indication of the President's desire to preserve the assets of OSS for use in peace-time intelligence work. Somewhat similar phraseology was used in the directive transferring the intelligence procurement branches of OSS to the War Department, and it was echoed in the specific directives issued by Secretary Patterson and Assistant Secretary McCloy to General Magruder, who had been asked by them to take over direction of what was then entitled "The Strategic Services Unit" of the War Department.

20 September 1945

My dear General Donovan:

I appreciate very much the work which you and your staff undertook, beginning prior to the Japanese surrender, to liquidate those wartime activities of the Office of Strategic Services which will not be needed in time of peace.

Timely steps should also be taken to conserve those resources and skills developed within your organization which are vital to our peacetime purposes.

Accordingly, I have today directed, by Executive order, that the activities of the Research and Analysis Branch and the Presentation Branch of the Office of Strategic Services be transferred to the State Department. This transfer, which is effective as of October 1, 1945, represents the beginning of the development of a coordinated system of foreign intelligence within the permanent framework of the Government.

Consistent with the foregoing, the Executive order provides for the transfer of the remaining activities of the Office of Strategic Services to the War Department; for the abolition of the Office of Strategic Services; and for the continued orderly liquidation of some of the activities of the Office without interrupting other services of a military nature the need for which will continue for some time.

I want to take this occasion to thank you for the capable leadership you have brought to a vital wartime activity in your capacity as Director of Strategic Services. You may well find satisfaction in the achievements of the Office and take pride in your own contribution to them. These are in themselves large rewards. Great additional reward for your efforts should lie in the knowledge that the peacetime intelligence services of the Government are being erected on the foundation of the facilities and resources mobilized through the Office of Strategic Services during the war.

Sincerely yours,

HARRY S. TRUMAN



Introducing a New Path:

Sidney W. Sowers



22 January 1946 to 10 June 1946



22 JANUARY.
Truman announces
establishment of CIG
to Secretaries of Navy,
State, and War

12 FEBRUARY.
Memo to Souers from
Vandenberg on who
is to monitor foreign
broadcasts



President Truman speaking with DCI Souers.

1946

23 JANUARY.
Sidney Souers
named as Director

5 MARCH.
Winston Churchill makes
“Iron Curtain Speech”
in Fulton, MO

2 MARCH.
Soviet – Iran dispute discussed in UN
Ho Chi Minh elected president of North
Vietnam, Kingman Douglas becomes Deputy
Director of the Central Intelligence Group

MAY.
Greece erupts into a full-scale
civil war between loyalists
and communists

Sidney William Souers

6 January 1946 – 10 June 1946



Tracy Rich

A successful business executive and veteran naval intelligence reservist, Rear Admiral Sidney Souers was the first Director of Central Intelligence, a post created by a presidential directive on 22 January 1946. At a brief installation ceremony in the White House, Harry Truman issued a mock proclamation dubbing him the “director of centralized snooping” and then handed Souers a black cloak and wooden dagger. Despite their mutual prominence in Missouri Democratic circles, it was apparently the first time Souers had met the President.¹ Souers would spend a mere six months as DCI—a short stint that has faded into relative obscurity. Nevertheless, he was a key figure in the development of the US intelligence community in the decade following the end of World War II and would prove to be a valued national security adviser for the President.

Souers was intimately familiar with the substance of the directive that established the post of DCI and was thus the logical choice for the job. A friend and protégé of Secretary of the Navy James Forrestal, then Captain Souers had been named deputy chief of naval intelligence in 1944. In that capacity, he had been deeply engaged in the debate on the shape of a new national intelligence apparatus. He served as the Navy’s representative on an interdepartmental working committee, addressed the issue of military intelligence for

Ferdinand Eberstadt’s study of the proposed merger of the War and Navy departments, and prepared a memo on national intelligence sent by Fleet Admiral Chester A. Nimitz to the Secretary of the Navy. At Truman’s request, Souers wrote a memorandum explaining his objections to a plan put forward by the State Department and why he thought the President would be better served by the arrangement proposed by the Joint Chiefs of Staff. His advocacy of the JCS plan, which became the basis for Truman’s directive, led the President to refer to it as “the Souers plan” on occasion.^{2,3} Souers was, said noted CIA historian Arthur Darling, “an influential voice.”⁴

As a short-term DCI—he had insisted on leaving as soon as the President and relevant Cabinet members could agree on a permanent successor—Souers had the task of getting the new Central Intelligence Group up and running. Given the sharp differences preceding the issuance of the presidential directive, it was a task that could not be rushed, and Souers avoided taking actions that might trigger a dispute or cause other players to dig in their heels.

From the outset, Souers clearly saw the CIG as “a holding agency until a fully functional agency” could take over the intelligence mission,⁵ and, having completed the initial orga-



Rear Admiral Sidney W. Souers receives the Legion of Merit in 1946.

nization and planning,⁶ he left his successor well positioned to continue work toward a permanent central intelligence organization. Souers bequeathed to him several talented officers (among them Walter Pforzheimer,⁷ Lawrence Houston,⁸ and Ludwell Lee Montague⁹) and a well-advanced draft of enabling legislation for a new central intelligence organization. In addition, as Documents 1946-03-05D, 1946-03-14, and 1946-03-16 illustrate, the CIG under Souers had made significant progress in determining how best to preserve and transfer from the War Department to the CIG those elements of the Strategic Services Unit (SSU) deemed to be “of continuing usefulness.” The project status reports contained in this document collection reveals a heavy workload aimed at defining the missions and the tools of the new US intelligence apparatus.

The DCI’s second major task was to find his successor so he could return to St. Louis and his varied business interests. He soon fixed on Hoyt S. Vandenberg, a war hero and the nephew of a prominent Republican senator, as the ideal candidate to guide the CIG and

secure passage of legislation for an independent central intelligence agency. Vandenberg was reluctant, but Souers, who had impressed wartime colleagues as a shrewd intelligence operator, secured his agreement.

Not all of Souers’s proposals were implemented. For example, he argued that the various departmental intelligence bodies should coordinate their representation on budget issues, a tactic that he characterized as “one of the more effective means for guarding against arbitrary depletion of intelligence sources at the expense of national security.” After the bruising interdepartmental battles to create the CIG, a proposal was unlikely to gain traction for decades to come.

In June 1946, Souers returned to St. Louis, but his “retirement” was brief. Within a year, he was recalled to Washington to set up an intelligence service for the Atomic Energy Commission. In September 1947, he became the executive secretary of the newly created National Security Council, a post in which he would help steer the evolution of the CIG’s successor, the Central Intelligence Agency.¹⁰ Even after leaving that post in 1950, he remained a close adviser and poker-playing buddy to the President, spending much of his time in Washington. Truman later commented in an oral history, “You can depend on this guy. He was one of my greatest assets.” Souers suffered a debilitating stroke and died on 14 January 1973, just weeks after Truman’s death in Kansas City.

-
- 1 Souers once told an interviewer that he was appalled when Truman was nominated for the Senate, noting that he would not have hired him in his own business for more than \$250 a month. ("Notes on Early DCIs").
 - 2 For an in-depth treatment of Souer's tenure as DCI, see the internal CIA history completed in 1953 by Arthur Darling. *The Central Intelligence Agency: An Instrument of Government, to 1950* was first publicly released by CIA in 1989 and was published the following year by The Pennsylvania State University Press. Souer's tenure is also covered by the late Danny D. Jansen and Rhodri Jeffreys-Jones in "The Missouri Gang and the CIA," a chapter in *North American Spies: New Revisionist Essays*, edited by Jeffreys-Jones and Andrew Lownie and published in 1991 by the University Press of Kansas. "Notes on the Early DCIs," written by William Henhoeffter and James Hanrahan, released 13 September 2012.
 - 3 Ralph E. Weber, *Spymasters: Ten CIA Officers in Their Own Words* (Wilmington, DE: Scholarly Resources Books, 1999), p. 2.
 - 4 Darling, *The Central Intelligence Agency*, p. 68.
 - 5 As Document 1946-03-21A demonstrates, the CIG's dependence on other agencies for its budget and staff caused a wide range of problems, in this case a forced reliance on others for proper screening of personnel. Document 1946-03-27A suggests that Souers found this approach problematic.
 - 6 Darling, p. 106.
 - 7 Walter Pforzheimer played a key role in drafting the legislation that created CIA and went on to serve as the Agency's first Legislative Liaison. He also collected a wide range of books on the craft of intelligence, a collection that forms the basis of the CIA Library's Historical Intelligence Collection. Pforzheimer was the collection's first curator, a post he held until 1974.
 - 8 An OSS veteran, Larry Houston served as the General Counsel of the Strategic Services Unit before holding the same post in the CIG under Souers. After the creation of CIA, he served as its General Counsel from 1947 to 1973. He is widely recognized as one of the architects of CIA and a central player in virtually every Agency undertaking during his tenure.
 - 9 Ludwell Lee Montague was an Army intelligence officer who served as executive secretary of the wartime Joint Intelligence Committee. On joining the CIG, he headed the Central Reports Staff, and, when CIA replaced the CIG, he helped set up the Office of National Estimates. He was a member of the Board of National Estimates until his retirement in 1971.
 - 10 Entries in the diary of Admiral Roscoe Hillenkoetter, the third DCI, show that Souers was in frequent contact with Hillenkoetter regarding legislation pertaining to the CIG. (See 1947-04-09a).

~~CONFIDENTIAL~~

APPENDIX "A"

D R A F T

INITIAL PERSONNEL AUTHORIZATION

CENTRAL INTELLIGENCE GROUP

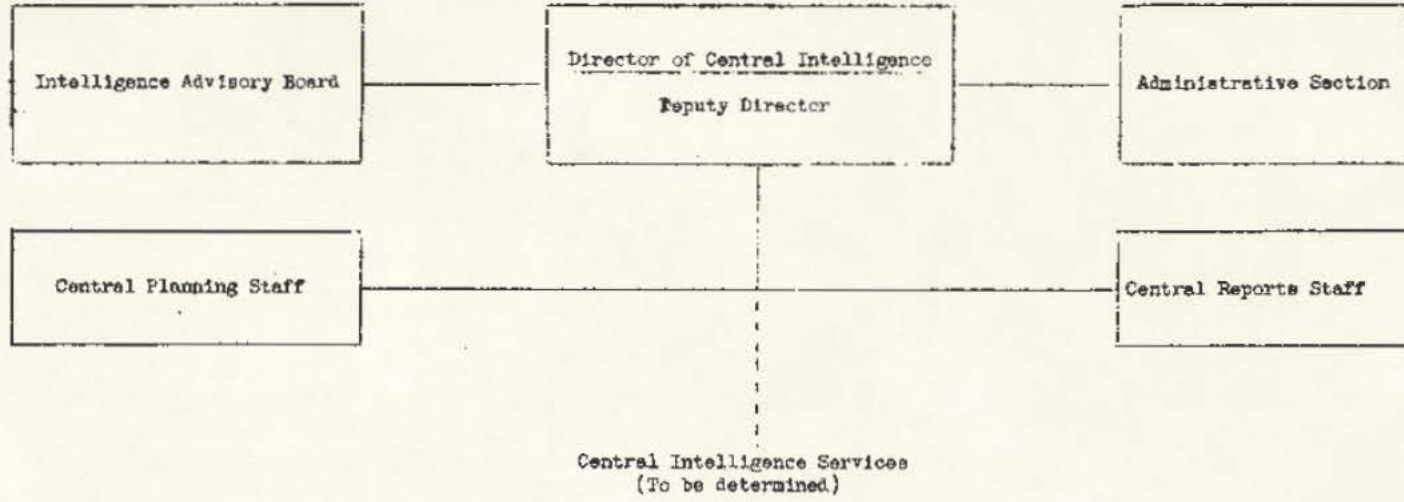
	State	War	Navy
<u>Central Reports Staff</u>			
Col., Capt., P-8 (Assigned)	1	2 (1 Air)	1
Col., Capt., P-8 (Detailed)	1	2 (1 Air)	1
P-7	2	2	
Lt. Cmdr., P-6	6	6 (3 Air)	5
Major, Lt. Cmdr., P-5	7		1
P-4			1
P-3		1 Lt.	1
P-2		2	2
CAF-7			1
CAF-5		2	1
CAF-4		11	5
TOTAL (less Detailed)	17	26	18
<u>Central Planning Staff</u>			
Col., Capt., P-8 or 7, CAF-15 or 14	3	6 (3 Air)	3
Lt. Col., Cmdr., P-6, CAF-13	3	6 (3 Air)	3
CAF-5	4	8	4
TOTAL	10	20	10
<u>Administrative Section</u>			
Col., Capt., CAF-14	1	2 (1 Air)	1
Lt. Col.-Capt, Cmdr.Lt, CAF-12 to 10	7	7	7
CAF-7	2	8	2
CAF-6	0	2	0
CAF-5	2	2	2
CAF-4	2	2	2
CAF-3	2	10	1
TOTAL	16	33	15
TOTAL (less Detailed)	43	79	43

~~CONFIDENTIAL~~

Appendix "A"

CONFIDENTIAL

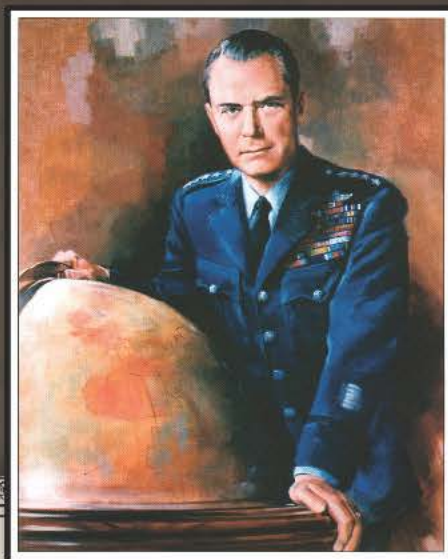
APPENDIX "B"
INITIAL ORGANIZATION
CENTRAL INTELLIGENCE GROUP



CONFIDENTIAL
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Appendix "B"

- 4 -



First Steps:

Hoyt S. Vandenberg



10 June 1946 to 1 May 1947





A mushroom shaped symbol of death—
Operation Crossroad's outcome.

25 JULY.
US tests atomic
bomb at
Bikini Atoll

19 DECEMBER.
French Indo-China
war starts

26 FEBRUARY.
Truman's press
announcement
of a proposed
bill for National
Defense
Establishment

12 MARCH.
Truman announces Truman
Doctrine and proposes \$400
Million in support of Greek and
Turkish resistance to Communism



President Truman speaking to Congress on
world situation.

1946

1947



Hoyt S. Vandenberg
in profile.

10 JUNE.
Hoyt Vandenberg
sworn in as
Director – CIG

11 DECEMBER.
Vandenberg speaks at Air War
College, Maxwell Field, Alabama



The French Foreign Legion
patrolling in what is now Vietnam.

29 APRIL.
Vandenberg testimony
for Senate on National
Security Act Bill.
Hillenkoetter appointed
as Director of CIG

Hoyt Sanford Vandenberg

10 June 1946 – 1 May 1947

Tracy Rich

A West Point graduate and career military aviator, Lt. Gen. Hoyt Vandenberg¹ shared little with Sidney Souers other than a reluctance to serve as DCI. His goal was to become the first chief of an independent US air force. Souers, however, saw him as just the man to give the CIG energy, and he was also keenly aware that Vandenberg's uncle, a powerful Republican senator, could help smooth the way for legislation that would put central intelligence on a sound legal footing. Cautiously, Souers asked Vandenberg if he thought the powers that be would make him Chief of Staff of the Air Force just because of his good looks—the “impossibly handsome” pilot had allegedly been singled out by Marilyn Monroe as one of the three men with whom she would most like to be stranded on a desert island. Souers pointed out to Vandenberg that a better way to position himself to become chief of the air force would be to serve the President as DCI. Vandenberg saw the logic and agreed to take the job.

Vandenberg had learned the value of coordinated intelligence during a stint as commander of the 9th Air Force in World War II, when his men played a key role in the Allies' march across Europe, and he had gained a thorough understanding of the CIG while serving on the Intelligence Advisory Board as the Army's Assistant Chief of Staff for Intelligence (G-2).

When he took over from Souers on 10 June 1946, he was up to speed on the progress that had been made and the work that remained to be done. Souers had also spelled out many of the challenges ahead in a farewell progress report, dated 7 June 1946. The departing DCI recommended that Vandenberg seek greater authority and an independent budget as soon as possible. Excerpts from “General Van's” diary, included in this document collection, reveal that the new DCI continued to consult with his predecessor as he continued the struggle to gain independence and respect for the CIG.

Characterized by his biographer as a “superb blend of leader and manager,” Vandenberg pursued Souers's recommendations with gusto. His often tightly packed calendar reveals a man who had clout and connections and did not hesitate to use them to reach his goals. Within his first months on the job, he campaigned to double the CIG's budget and to expand its staff; by September he had won the right for the CIG to “hire and fire and spend.” This document collection also shows him dealing with the nitty-gritty problems generated by these

“Souers pointed out to Vandenberg that a better way to position himself to become chief of the air force would be to serve the President as DCI.”

strategic victories. Few later DCIs would take issue with his concerns about space, and his desire to have all CIG employees in a single building would be echoed by his successors for decades (see Document 1946-06-07a, 20 November 1946).

Vandenberg also set out to ensure that the CIG had the right to conduct independent research and analysis, a discussion of which had begun under Souers (see Document 1946-03-26B). It was his contention that the DCI “should not be required to rely solely upon evaluated intelligence from the various departments,” each of which would assess information through a parochial lens.² Although forced to backtrack on his demand that funding, facilities, and personnel be centralized in the CIG, he did eventually succeed in securing a measure of independence and set up the Office of Reports and Estimates (ORE) to undertake the new role. He also secured for ORE the responsibility for developing a national program of scientific intelligence and the authority to coordinate all intelligence related to foreign development of atomic energy; to support the latter, the files and personnel of the intelligence division of the “Manhattan Engineer District” (MED), the US program to develop nuclear weapons, were transferred to ORE. Although ORE produced the first national estimate—on Soviet capabilities and intentions—in July, it faced significant resistance from the departments, both on substance and the provision of personnel, and the evolution of a truly national estimative process and machinery would continue for decades.

Vandenberg was also intent on ensuring that the DCI conduct all foreign intelligence collection and foreign counterintelligence.

His determination was driven in part by his fear that an enemy might pit one foreign intelligence collector against another as had occurred in Hitler’s Germany. Unlike Souers, who had declined to take over the FBI’s clandestine operations in Latin America, he wrested control of Latin American intelligence operations from J. Edgar Hoover (Vandenberg said Hoover was “mad as hell” at being forced to cede his responsibilities).³ These new CIG duties were added to the mission of the Office of Special Operations, established by Vandenberg in July 1946 to manage the assets—money, personnel, equipment, and so forth—being transferred to the CIG from the soon-to-be eliminated Strategic Services Unit. After intense wrangling among the members of the Intelligence Advisory Board, Vandenberg also secured the right to collect foreign intelligence in the United States and assumed control of the Foreign Broadcast Information Bureau (now the Open Source Center) from the Army.



General Hoyt S. Vandenberg.

Like Souers, however, Vandenberg recognized that the DCI, whose authority rested only on a presidential directive, would have no real power without Congressional legislation,⁴ and he stepped up efforts to give the CIG and the DCI teeth. As Truman and key Cabinet officials began discussions on improving US national security by consolidating the branches of the military and creating a national defense council, Vandenberg lobbied for the inclusion in the legislation of provisions for a central intelligence organization. During the ensuing debates, Vandenberg beat back attempts by the military services to retain control over US intelligence. The resulting National Security Act, signed by Truman on 26 July 1947, remains the basis for the organization structure of the US national security apparatus.

Just under a year after replacing Souers, Vandenberg left the CIG in response to a request from General Dwight Eisenhower, then Chief of Staff of the Army, that he return to "important and necessary duties with the Army Air Forces." He held that post only briefly before being promoted to the rank of general and named Vice Chief of Staff of the newly created independent US Air Force in October. He did not realize his dream of becoming Chief of Staff of the Air Force until succeeding General Carl Spaatz in April 1948. In 1953, suffering from prostate cancer, Vandenberg retired from active duty. He died nine months later at the age of 55.

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- 1 For more information on Hoyt Vandenberg as DCI, see Darling, *op. cit.*, and Charles R. Christensen, "An Assessment of General Hoyt S. Vandenberg's Accomplishments as Director of Central Intelligence," *Intelligence and National Security* 11, no. 4 (October 1996), pp. 754–64. For a look at Vandenberg's air force career, see Phillip S. Meilinger, *Hoyt S. Vandenberg: The Life of a General* (Bloomington and Indianapolis: Indiana University Press, 1989).
 - 2 Darling, p. 107.
 - 3 See Document 1952-03-17, paragraph 11.
 - 4 Darling, Introduction to Chapter V.

C
O
P
Y

CIG-A 15.01
xc Landau, Jacob
xc Overseas News Agency
Donovan, W.J.

APPROVED FOR RELEASE BY THE
CENTRAL INTELLIGENCE AGENCY DATE:
2001

16 July 1946

Major General William J. Donovan
Donovan Leisure Newton Lombard & Irvine
Two Wall Street
New York 6, N. Y.

Dear General Donovan:

Thank you very much for your courtesy in forward-
ing the letter from Jacob Landau of the Overseas News Agency.
I am very appreciative of your interest and aid in this
matter. Mr. Landau has been asked to contact us.

I am wondering if you ever get down to Washington
these days. I realize you are very busy, but I would
appreciate a few minutes of your time at your convenience.
No one realizes more than I do the implications of the task
that has been handed me, and I feel that should you be able
to give me a few minutes it would give me a boost in the
right direction. Your "know how" in these matters would, I
feel, keep me from making many obvious mistakes and assist
me in avoiding some of the pitfalls that would be evident
to you.

With kindest personal regards.

Very sincerely yours,

HOTT S. VANDENBERG
Lieutenant General, USA
Director of Central Intelligence

250240

250240



Holding the Line:
Roscoe H. Hillenkoetter



1 May 1947 to 7 October 1950



1 MAY.
Roscoe Hillenkoetter sworn
in as Director of CIG

26 JULY.
National Security Act of 1947 was
signed on the President's plane —
The Sacred Cow
Souers becomes Executive Secretary,
National Security Council



HST's first Presidential Plane,
Sacred Cow.

3 APRIL.
European Recovery Act
(The Marshall Plan)
signed into law



Raising the Israeli flag.

30 APRIL.
Hoyt Vandenberg becomes
Chief of Staff — U.S. Air Force

15 MAY.
Arab - Israeli
War on
establishment
of Israel State

6 AUGUST.
Memo to President on
apparent agreement
of USSR to enter into
negotiations on Germany

1947

1948



Hoyt S. Vandenberg
in uniform.

8 DECEMBER.
Senate using voice vote
confirms Hillenkoetter
as first Director of CIA

1 OCTOBER.
Hoyt Vandenberg named
Vice Chief of Staff — U.S. Air Force

5 JUNE.
George C. Marshall speech
on European rebuilding —
the Marshall Plan



Jordanian artillery shells.

24 JUNE.
Blockade of Berlin
implemented and
the airlift started

14 JUNE.
Release of ORE-41-48 Effect
of Soviet Restrictions on the
US Position in Berlin

9 JUNE.
Memo to President on proposed
unification of US, British,
and French zones of Germany
versus Kremlin's opposition to
European Recovery Act

4 APRIL.
North Atlantic Treaty
Organization (NATO) established



Truman signing NATO treaty in oval office.



Soviets explode Joe-1,
USSR's first atomic bomb.

Truman walks with
aides after meeting on
the Korean situation.



29 AUGUST.
USSR detonates atomic
bomb — Joe 1

16 OCTOBER.
Greek Civil
War ends

31 JANUARY.
Truman ordered the development
of hydrogen bomb in response to
USSR's first atomic bomb blast

24 JUNE.
Korean War starts and
Truman calls meeting
on Sunday evening to
discuss the "situation"

1949

1950

27 MAY.
CIA Act of 1949
clarifies the Agency's
working parameters

23 MAY.
Federal Republic of
Germany established —
West Germany

1 OCTOBER.
Peoples Republic
of China —
Mao takes power



Mao announcing formation of the
People's Republic of China.

9 FEBRUARY.
US Senator Joseph
McCarthy telegrams
Truman accusing State
Department of employing
205 Communists —
includes HST's unsent reply

Roscoe Henry Hillenkoetter

1 May 1947–7 October 1950

Tracy Rich

A veteran intelligence officer, DCI Roscoe Hillenkoetter oversaw the transition of the presidentially authorized Central Intelligence Group to the legislatively created CIA. Like Souers and Vandenberg, however, he was a reluctant nominee. He was serving as naval attaché in Paris, his third stint in France, a job that put him at the heart of intelligence collection there (see Document 1952-12-02c for Hillenkoetter's discussion of his role). Against his wishes, he was ordered to return to Washington and succeed Vandenberg. At the time, he was a brand-new flag officer, having received his first star only a few months earlier.

Hillenkoetter was highly regarded by many for his knowledge of and experience in intelligence. A St. Louis native who had graduated with distinction from the US Naval Academy, he had served as assistant naval attaché in Madrid and Lisbon and as naval attaché in Vichy France. In 1942, after recovering from wounds suffered during the Japanese attack on Pearl Harbor, he was assigned to the staff of Admiral Chester Nimitz as officer in charge of intelligence for the Pacific area. In that capacity, he set up a Joint Intelligence Committee Pacific Ocean Area (JICPOA), a wartime intelligence network that anticipated by almost half a century today's joint commands. Admiral William Leahy, Hillenkoetter's boss in Vichy France, once observed that no man in

the country had a better grasp of the mechanics of foreign intelligence.¹ Hillenkoetter had been one of the candidates to become DCI when the post was created in 1946, but, as noted earlier, Sidney Souers was given the job because of his familiarity with the background and substance of the presidential directive. In 1947, however, Leahy used his clout as chairman of the National Intelligence Authority to ensure that Hillenkoetter succeeded Vandenberg as DCI.

As DCI, Hillenkoetter inherited the solid work of Souers and Vandenberg, but his legacy also included bickering within the CIG and festering resentment from the service chiefs and, as a consequence, a growing conviction that a collective intelligence body such as the CIG was unworkable. The chiefs considered the DCI to be their equal, if not subordinate, and were annoyed by Vandenberg's insistence that the DCI be the executive agent of the Secretaries of State, War, and the Navy.² Unfortunately, "Hilly" had neither Vandenberg's forceful personality nor his seniority in a town that placed a high premium on both,³ and he was reluctant to make his job more difficult by antagonizing the chiefs. Within two months of taking office, for example, he volunteered to relinquish the authority of the DCI to act as executive agent of the Intelligence Advisory Board (IAB) that had been wrested

from the service chiefs by Vandenberg—"to create better feeling" among the IAB agencies.⁴ He was similarly compliant when the NSC, in creating the Office of Policy Coordination (OPC) to carry out covert operations, set up an operating framework that placed OPC clearly outside the effective control of the DCI. His successor, Walter Bedell Smith, quickly demonstrated that he would not tolerate such an arrangement.

The bureaucratic challenges to his role as DCI and to the standing of the new CIA were not Hillenkoetter's only headaches. In April 1948, a violent riot in Bogota, Colombia, forced the visiting US Secretary of State, the widely respected George C. Marshall, to take cover and led to charges that CIA had failed to warn of the potential for trouble. Hillenkoetter and the Agency were publicly exonerated during the resulting Congressional hearings, but, as Document 1950-08-03 illustrates, that vindication did not erase public perception of a CIA intelligence failure. The Bogotazo, as it came to be called, also reflected ongoing tension with the State Department. It was followed by the testing of a Soviet nuclear weapon well before the timeframe in which CIA analysts had predicted and, later still, by what many perceived as twin failures of intelligence in the Koreas—the invasion of South Korea by the North and the entry of China into the conflict. Recent scholarship suggests that the record of CIA's analytic performance does not sustain allegations of failure,⁵ but at the time the charges added to perceptions that Hillenkoetter was in over his head and gave opponents of CIA even more ammunition in their bureaucratic struggle.

In January 1948, in part at Hillenkoetter's suggestion, the National Security Council

created the Intelligence Survey Group to study and assess changes in the US intelligence system since the end of the war and the passage of the National Security Act. Mathias Correa,⁶ William H. Jackson,⁷ and OSS notable Allen Dulles were asked to conduct the review. Because the service intelligence bodies refused to cooperate, they ended up focusing primarily on CIA.⁸ The report, delivered to the NSC a year later, was scathing across the board. Intelligence estimates, personnel management, and internal organization all came in for criticism. Hillenkoetter was able to rebut many of the assertions in the report, but he could overcome neither the overall impression of institutional inadequacy nor the perceptions of a lack of leadership at the top of the US Intelligence Community.

Hillenkoetter himself was not persuaded of the impartiality of the review. As he recalled, Jackson and Correa spent little time at CIA, and the man characterized as the real inspector was "personally incompatible and obnoxious to very many of the CIA people, including myself." Hillenkoetter also developed



Admiral Roscoe H. Hillenkoetter, former head of the CIA, meeting with his successor, General Walter B. Smith and Maryland Senator Millard E. Tydings.

such an intense dislike of Jackson that, after Walter Bedell Smith was tapped to succeed him, he refused Smith's request to appoint Jackson DDCI so that he could get up to speed before Smith's arrival. There has also been speculation that Dulles, whose name had been bandied about in discussions of a civilian director for CIA,⁹ may have had an ulterior motive in highlighting Hillenkoetter's lack of leadership.¹⁰

Hillenkoetter was on the defensive for almost all of his tenure,¹¹ and, after the delivery of the Dulles-Jackson-Correa report, it was clear that he could not continue as DCI. Nevertheless, he lingered in office for another year and a half, in large part because President Truman disliked Secretary of State Lewis Johnson and refused to accept anyone he nominated for the job. With the outbreak of Korean War, however, Hillenkoetter asked to return to the navy, and in October 1950 he was given a command of Cruiser Division 1, Cruiser-Destroyer Force, Pacific Fleet. He left the Agency in the hands of General Walter Bedell Smith—a man who was his opposite in seniority, influence, and demeanor.

For all the criticism of his directorship, Hillenkoetter could point to a major achievement—the CIA Act of 1949. In congressional hearings, he stressed the urgency of passing this enabling legislation, which had been postponed in 1947 to minimize controversy. A key element of the act was a provision that would enable the Agency to expend funds without regard to the laws and regulations that governed the expenditure of government money. The act also gave CIA a number of other significant administrative authorities that would prove valuable to Hillenkoetter's successors.

After completing his Korean War tour, Hillenkoetter commanded the Brooklyn Navy Yard and the Third Military District. He retired from the navy in 1957 and became a director of Electronic and Missile Facilities, Inc. During 1957-1962, he also served on the board of the National Investigations Committee on Aerial Phenomena (NICAP), a civilian UFO group that enjoyed high visibility and a board stocked with prominent retired military officers. He died of emphysema in New York City on 18 June 1982.

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- 1 "Roscoe H. Hillenkoetter," Current Biography, January 1950, p. 25. Darling devotes several chapters to Hillenkoetter's role in CIG/CIA.
 - 2 Darling, Introduction to Chapter VI.
 - 3 Unlike Vandenberg, a scratch golfer, Hillenkoetter shot in the low nineties. His chief recreation was reading history. In Document 1952-12-02b, he notes that reading the history of OSS and its "trials and troubles" helped him when he was DCI. (Current Biography, p.25)
 - 4 Darling, p. 201.
 - 5 See HCD Korea release (citation info needed).
 - 6 Correa, a former New York District Attorney, had worked in OSS counterintelligence in Italy before becoming an aide to Secretary of the Navy James Forrestal dealing with intelligence reform in 1945.
 - 7 William H. Jackson, a New York lawyer and banker, had been the Assistant Military Attaché for Air in London and Chief of the Secret Intelligence Branch, G-2, European Theater, in World War II. He became DDCI in 1950.
 - 8 Darling, Introduction to Chapter VIII.
 - 9 Darling, p. 194.
 - 10 See Document 1952-12-02b for Hillenkoetter's recollection of setting the inquiry in motion.
 - 11 See Document 1950-08-03, for his point-by-point rebuttal, sent to President Truman, of charges raised in a New York Herald-Tribune article.

~~CONFIDENTIAL~~

Vau

10 April 1947.

MEMORANDUM FOR GENERAL VANDENBERG.

1. Pursuant to your instructions, it has been arranged for Admiral Hillenkoetter to visit each of our Offices and Staff Sections to meet the people concerned and to be briefed by them as to their activities. A schedule of this program is attached.

2. In your absence and in that of General Wright, I arranged for the Admiral to attend the 10 o'clock meeting today, Thursday 10 April, of the Policy Council, JRDB, so that he could meet the other members. He already knew Admiral Sherman, Admiral Wright, and Captain Thach.

3. I have the following suggestions to offer:

a. That you take Admiral Hillenkoetter to call on Admiral Leahy, Secretary Patterson, and Acting Secretary Acheson and that you go with him to call on General Marshall when he returns. (The Admiral has seen Mr. Forrestal.)

b. Also I think that the Admiral should meet the members of the IAB including Mr. J. Edgar Hoover. This could be done by calling an IAB meeting, including Mr. Hoover, with nothing on the Agenda other than an informal get together and discussion, or you might take the Admiral to call on the members of the IAB; however, the former seems preferable to me. (The Admiral has already seen Admiral Inglis but he is the only IAB member he has seen.)

c. Also believe it would be a good idea for you to introduce the Admiral as time goes on to your friends in Congress and in the Senate, and to any other people he should meet.

d. I know nothing of the plans concerning the date of official turnover by you to the Admiral, however, suggest the following considerations:

1. Believe the date should come after you have completed appearances before Congressional Committees on legislation--both budget and otherwise.

2. Also the question arises as to what is the Admiral's status pending the turnover. The cable order from the Navy merely states that he is to report here for duty as the Director. However, pending his actual taking over, you might consider a press release stating that he is here and will take over from you at some date in the future. Of course, the next question is when the official announcement of your change in occupation is to be made and the two might well be simultaneous. This last is a little over my head but just wanted to suggest the matter to you in case you wish to do anything about it.

Dabney
JOHN A. DABNEY
Colonel, USA

~~CONFIDENTIAL~~

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Catalyst to the Future:
Walter Bedell Smith



7 October 1950 to 1953



7 OCTOBER.

Hillenkoetter turns duties as DCI over to Walter Bedell Smith at his swearing in as Director of CIA. Meanwhile, the People's Republic of China invades Tibet.

12 MARCH.

Communists driven out of Seoul



Julius and Ethel Rosenberg.



US and North Korean guards at the Panmunjom peace talks.

19 OCTOBER.

People's Republic of China enters the Korean War.

5 APRIL.

Julius and Ethel Rosenberg are found guilty of spying for the USSR

11 APRIL.

Truman fires MacArthur

25 SEPTEMBER.

Peace talks resume in Panmunjom

1950

1951



Hillenkoetter's flag ship while he was commander of Command Cruiser Division I.

4 JANUARY.

Seoul falls to Chinese Communists

1 SEPTEMBER.

HaMossad – Institute for Intelligence and Special Operations – Israel's Secret Service founded



DCI Walter Bedell Smith being awarded an honorary law degree.

Seal of HaMossad – Institute for Intelligence and Special Operations



15 OCTOBER.

Hillenkoetter returns to sea duty as commander of Command Cruiser Division I on the "Saint Paul"

10 JUNE.

Amherst College awards DCI Smith Honorary Law Degree

18 FEBRUARY.
Greece and Turkey
join NATO

Eisenhower taking the
oath of office at the
1953 Inauguration.



Allen Dulles, 5th DCI.

26 MAY.
Border between East and West
Germany closed, only the border
between East and West Berlin
remains open

18 JANUARY.
President Eisenhower
appoints Walter B. Smith
as Undersecretary of State

Seal of the
new National
Security Agency.



1 NOVEMBER.
National Security
Agency formed

26 FEBRUARY.
Allen Dulles becomes
Director of Central
Intelligence Agency

1952

1953

13 JULY.
East Germany
announces formation of
National Peoples Army

20 JANUARY.
Dwight D. Eisenhower
becomes 34th President of
the United States of America

29 MARCH.
Truman
announces no
second term



President Truman and
Mrs. Truman at the
dinner where he made
the announcement
that he would not run
for a second term.

29 NOVEMBER.
President-elect Eisenhower
visits Korea fulfilling
campaign promise to
visit war zone



Eisenhower at Korean
Outpost.

26 FEBRUARY.
Churchill announces that
Britain has atomic bomb

4 NOVEMBER.
Dwight D. Eisenhower
elected to be the 34th
President of the United States

The Significance of Walter Bedell Smith as DCI, 1950-53

Nicholas Dujmovic | CIA History Staff

Many of the documents being released in this collection concern a little known but tremendously significant early Director of Central Intelligence (DCI), Walter Bedell Smith. Smith arguably was CIA's most successful and influential Director because of the legacy he left in most of the Agency's major business areas. He not only reorganized CIA's operational and analytic missions into the directorate system that defines the Agency's organization to this day, he also initiated CIA's mission of providing daily intelligence reporting to the President, radically reformed the system for producing National Intelligence Estimates, and fostered cooperation within the emerging U.S. Intelligence Community. A generation of Agency leaders following his tenure, and historians since, regard him as having "put CIA on the map" by significantly increasing its visibility and impact.¹

Smith, after a notable US Army career and service as the US Ambassador to Moscow, was tapped by President Harry S. Truman in August 1950 to become the fourth DCI, a position of leadership not only of the Central Intelligence Agency but also formally of the emerging US Intelligence Community. It cannot be said that the DCI position in 1950 was a prestigious one; intelligence historians point out that the short tenures and relative lack of political clout of the first three DCIs had left

CIA without much influence in Washington. The Agency and its needs were often ignored by State and Defense Department officials, and sometimes even by the White House.²

Matters were not helped by several perceived CIA warning failures, including the lack of a clear warning regarding the outbreak of the Korean War in June 1950. When President Truman assembled the National Security Council to deal with this crisis, then-DCI Hillenkoetter was absent. Hillenkoetter's defensiveness about CIA's record is reflected in Document 1950-08-03 in this collection, which is a DCI memorandum to President Truman commenting on press reports of "five major failures" of CIA.

It in this context, then, that General Smith was not happy with this new assignment and privately expressed his misgivings, writing to one confidant "I expect the worst and I am sure I won't be disappointed," and to another remarking "I'm afraid I'm accepting a poisoned chalice." Many of the documents in this collection are candid expressions of Smith's that he was "under no illusions" about the difficulty of the CIA job but that he felt at a time of national need he could not say no; these are in response to the many congratulatory letters Smith received from politicians, senior officials, celebrities, and ordinary Americans alike

after the appointment was announced. See the letters under the document file 1950-8-19.

When General Smith was sworn in to replace Hillenkoetter in October 1950, for the first time CIA had a leader with sufficient prestige, vision, leadership experience, and White House support to improve the Agency's operations and activities and to raise CIA's profile in Washington and among policymakers. CIA officials found their new Director "an exacting, hard-hitting executive who brooked neither mediocrity nor ineptitude, a man who not only barked but bit."³ At his first staff meeting, Smith told senior CIA officials, "It's interesting to see all you fellows here. It'll be even more interesting to see how many of you are here a few months from now." Smith's decisiveness is shown in staff meeting minutes such as Documents 1950-12-18 and 1951-04-04, and his plain-speaking manner—direct to the point of being brusque—is shown in Document 1952-10-01, which deals with the issue of Communists in government during the McCarthy period.

Smith's most important enduring legacy within CIA is the Agency's Directorate structure, which continues more than sixty years after he created it. A graphic illustration of this is Document 1971-03-09, "Origin of Key Components of CIA." After arriving at CIA in October 1950, he soon concluded that the Agency had an overly horizontal organization with too many discrete and independent entities, and he soon began to restructure CIA more along military lines. Among his first acts as DCI in late 1950 was combining a collection of uncoordinated and dispersed support functions into the Directorate of Administration (DA). CIA's burgeoning Cold War missions required a more centralized ap-

proach to support and logistics. The new DA was responsible for finance, logistics, security, training, personnel, medical, and other support services, and it lives on today as the Directorate of Support.

Smith took over the Agency at a time of perceived analytic deficiencies that contributed to inadequate warning of the invasion of South Korea and the entrance of Chinese troops into that war. In response, Smith centralized analysis in 1951 by function into the Office of Current Intelligence (daily support to policymakers), the Office of Research and Reports (basic economic and geographic reporting), and the Office of Collection and Dissemination (information management). The production of national intelligence estimates was put under a small Board of National Estimates (anticipating the National Intelligence Council by more than twenty years) supported by a larger Office of National Estimates, both of which reported to the DCI, thus assuring central oversight of strategic intelligence. In January 1952, Smith consolidated CIA's analytic offices into the Directorate of Intelligence, which has served continuously since as the nation's premier all-source analysis organization.



DCI Walter B. Smith riding in open car with President Harry S. Truman.

Smith's April 1952 report to the National Security Council on the changes he wrought and was bringing about at CIA is included in this collection as Document 1952-04-23.

Under Smith, CIA began providing more comprehensive and policymaker-centered intelligence support to the White House. The Office of Current Intelligence was already preparing material for Smith's weekly briefings of President Truman, and in addition Smith launched the *Current Intelligence Bulletin* and the *Current Intelligence Weekly Review* as more focused publications tailored for the president and senior policymakers. Document 1951-02-19, minutes of Smith's staff meeting for 19 February 1951, notes the first delivery of the daily intelligence report to the President. After President Truman received the first *Bulletin*, he wrote, "Dear Bedel [sic], I have been reading the intelligence bulletin and I am highly impressed with it. I believe you have hit the jackpot with this one." Smith's concept of the *Bulletin* lives on with the *President's Daily Brief*. Smith also established the precedent of providing intelligence briefings to presidential candidates and presidents-elect.

In the increasingly important area of operations, Smith resolved a debilitating conflict between CIA's foreign intelligence collectors and covert action operators (who at the time reported also to the State Department) by merging their components into the new Directorate of Plans, which reported directly to the DCI. This merger began in 1951 and was completed by the fall of 1952 and brought a heretofore unknown measure of integration and efficiency to previously uncoordinated operations. The Directorate of Plans later became the Directorate of Operations, the predecessor of today's National Clandestine Service.

To increase accountability in the new structure of CIA, Smith appointed the Agency's first Inspector General. It was through his initiative that CIA and the British began to share most of their high level national assessments, which resulted in the closest and most robust analytic relationship CIA has enjoyed to the present day. In sum, Smith made major, long-lasting changes in CIA that substantially improved its effectiveness and influence over subsequent decades.

In addition to his revamping the estimative process, in his role as leader of the emerging Intelligence Community Smith was especially determined that CIA should cooperate with military intelligence in collecting and analyzing information about the conflict in Korea. In 1951, he requested that the National Security Council review how disparate military entities were handling communications intelligence (COMINT), an initiative that led to President Truman's creation of NSA by executive order in 1952.

Before Smith became DCI, CIA was regarded in Washington as an upstart organization of no real consequence, and many Americans had not even heard of the Agency. By the time Smith left CIA in early 1953 to become President Eisenhower's Under Secretary of State, the Agency under his leadership had consolidated the operational and analytical responsibilities it received under the National Security Act of 1947 and had assumed a preeminent status in the Intelligence Community.

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- 1 A contemporary internal history of Bedell Smith's directorship, completed in 1971 by Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence*, October 1950—February 1953, was declassified in 1990 and subsequently published by The Pennsylvania State University Press in 1992. This long-released history, included in this collection for the convenience of scholars, details many of Smith's activities and accomplishments but lacks the historical distance by which Smith's legacy can be fully appreciated.
 - 2 The situation facing the early DCIs is covered in the internal history completed in 1953 by Arthur Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, which was first publicly released by CIA in 1989 and which was published the following year by The Pennsylvania State University Press. Like the Montague history, this material is being re-released in this collection largely for the convenience of scholars.
 - 3 Former chief of analysis R. Jack Smith, *The Unknown CIA* (1989).

GENERAL HEADQUARTERS
UNITED NATIONS COMMAND
OFFICE OF THE CHIEF OF STAFF

Noted by DCI
30 OCT #1 m

26 October 1950

Lieut. Gen. Walter Bedell Smith, USA
Director, Central Intelligence Agency
24th and E Sts., N.W.
Washington, D. C.



Dear Bedell:

Congratulations on your appointment as Director of the C.I.A. It's a big job you have. However, it's not big enough for you and I expect to see you going on to another assignment shortly.

At present I am Deputy C/S FEC and UN Command and C/S ROK (Korean operations). I came over the first part of July.

Colonel Louis J. Fortier, of the G-2 Section here, has just gone back to the States to be retired in December at his own request. He will be in Washington at Walter Reed Hospital. He was a B.G. during WW II and is anxious to be recalled to active duty as a B.G. in intelligence work. I consider him to be one of the most brilliant intelligence officers I have ever known. He is particularly well informed on the Far East. If you should have need of a person of his qualifications, I recommend him highly.

With best regards.

Sincerely,

RODERICK R. ALLEN
Major General, USA

Col Fortier visited Gen
Smith 24 NOV 50

THE WHITE HOUSE
WASHINGTON

January 16, 1953

Dear Bedell:

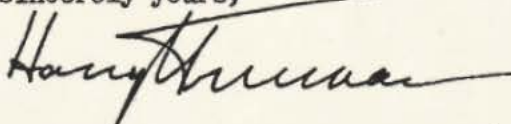
As you know, I consider the establishment of the Central Intelligence Agency one of the most important steps which I have taken, as President, in the interests of our national security. An effective intelligence service, which this country now possesses, is a vital element in our efforts for a just and lasting peace.

As Director of Central Intelligence since 1950, following your superior service as Ambassador to Moscow, you have successfully and faithfully accomplished your mission of developing the Central Intelligence Agency into an efficient and permanent arm of the Government's national security structure. During this critical period the far-reaching improvements and strengthening which you have introduced in the intelligence field have been of immeasurable value to me and the other members of the National Security Council in dealing with the difficult problems facing us.

I am firmly convinced that no President ever had such a wealth of vital information made available to him in such a useful manner as I have received through CIA. I want you to know how deeply I appreciate and admire the conscientious and loyal way in which you have accomplished your mission. I am equally sure that future Presidents will benefit substantially from the outstanding work which you have done in developing the Central Intelligence Agency.

As I prepare to leave the Presidency, I want to say thank you to a true friend, a real patriot, and a public administrator of the highest calibre.

Very sincerely yours,



General Walter Bedell Smith, U.S.A.,
Director of Central Intelligence,
Washington, D. C.

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