

# HISTORY OF THE CENTRAL INTELLIGENCE AGENCY

## INTRODUCTION <sup>1</sup>

During the past two years the Central Intelligence Agency has been the object of continuing public scrutiny, much of which has focused on the Agency's abuses. The current political climate and the mystique of secrecy surrounding the intelligence profession have made it difficult to view the CIA in the context of U.S. foreign policy and the Agency's development as an institution. This history will examine the CIA's organizational evolution, evaluating the influences that have shaped the Agency and determined its activities. An historical study of this nature serves two important purposes. First, it provides a means of understanding the Agency's structure. Second, and more importantly, by analyzing the causal elements in the CIA's pattern of activity, the study should illuminate the possibilities for and the obstacles to future reform in the United States foreign intelligence system.

An institutionalized intelligence function is not unique to the United States Government. The tradition of formalized reporting organizations dates back to the 16th century in Britain, to the 19th century in France, and to the 18th century in Czarist Russia. In establishing a peacetime central intelligence body after World War II, the United States as one of the great powers came late to defining the need for an intelligence institution as an arm of foreign policy. Secretary of State Henry Stimson's alleged statement, "Gentlemen do not read each other's mail" reflected the United States' rejection of ongoing espionage activities. Over the course of history American presidents and the military services employed agents to engage in clandestine missions, particularly in times of war. However, the distinction between these sporadic activities and an institutionalized structure for generating information for senior officials was a significant one. The decision to create a separate agency implied recognition of the intelligence function as an integral part of the foreign and military policy process. Today the United States military and civilian intelligence establishment employs thousands of people and expends billions of dollars

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<sup>1</sup> This history of the CIA is based on four principal groups of sources. Since classification restrictions prevent citing individual sources directly, the categories are identified as follows: (1) Approximately seventy-five volumes from the series of internal CIA histories, a rich if uneven collection of studies, which deal with individual Agency components, the administrations of the Directors of Central Intelligence, and specialized areas of intelligence analysis. The histories have been compiled since the late 1940's and constitute a unique institutional memory. (2) Approximately sixty interviews with present and retired Agency employees. These interviews were invaluable in providing depth of insight and understanding to the organization. (3) Special studies and reports conducted both within and outside the Agency. They comprise reviews of functional areas and the overall administration of the CIA. (4) Documents and statistics supplied to the Committee by the CIA in response to specific requests. They include internal communications, budgetary allocations, and information on grade levels and personnel strengths. This history of the CIA was prepared for the Select Committee by Anne Karalekas, staff member.

annually. The Central Intelligence Agency is one organization in that establishment.

In contemplating the role of a central intelligence organization and its relationship to foreign policy, one can define the objectives that the agency might achieve. It should gather information that is otherwise unobtainable; it should have the institutional independence that allows it to interpret information objectively and in a way that assists policymakers to make decisions; it should have the access that insures maximum use of its analysis; with appropriate direction from the Executive branch and oversight from the Legislative branch it might undertake clandestine operations in support of United States foreign policy.

The CIA has functioned in each of these capacities, but not with equal concentration of resources and attention to each area. During the past twenty-nine years, the Agency's overall effort and the relative emphasis among its functions have been affected by four factors: the international environment as perceived by senior policymakers; the institutional milieu created by other agencies serving similar functions; the Agency's internal structure, particularly the incentives which rewarded certain kinds of activities more than others; and the individual serving as the Director of Central Intelligence, his preferences and his relative stature. This study will examine the CIA's history, determining which influences were most important at which periods and evaluating their impact on the Agency's development.

Today the CIA is identified primarily in terms of its espionage and covert action capabilities, i.e. spying operations and political action, propaganda, economic, and paramilitary activities designed to influence foreign governments. However, the motivating purpose in the creation of the Agency was very different. Before the end of World War II American policymakers conceived the idea of a peacetime central intelligence organization to provide senior government officials with high-quality, objective intelligence analysis. At the time of the new agency's creation the military services and the State Department had their own independent collection and analysis capabilities. However, the value of their analysis was limited, since their respective policy objectives often skewed their judgments. A centralized body was intended to produce "national intelligence estimates" independent of policy biases and to provide direction over the other intelligence organizations to minimize duplication of efforts.<sup>2</sup>

Within two years of its creation the CIA assumed functions very different from its principal mission, becoming a competing producer of current intelligence and a covert operational instrument in the American cold war offensive. In size, function, and scale of activities the CIA has expanded consistently.

In addition, the problem of duplication among intelligence agencies remained. Since 1947 growth in the scale and number of United States intelligence agencies has paralleled the CIA's own growth. In fact, much of the history of the CIA's role in intelligence analysis has been

<sup>2</sup> "National" intelligence meant integrated interdepartmental intelligence that exceeded the perspective and competence of individual departments and that covered the broad aspects of national policy. "Estimates" meant predictive judgments on the policies and motives of foreign governments rather than descriptive summaries of daily events or "current intelligence."

a history of its efforts to emerge as an independent agency among numerous intelligence organizations within the government. Today these organizations and the CIA itself are referred to as the intelligence "community," although they have been and continue to be competitors in intelligence collection and analysis.<sup>3</sup>

This study is not intended to catalogue the CIA's covert operations, but to present an analytical framework within which the Agency's development and practices may be understood. The CIA's twenty-nine year history is divided into four segments: 1946 to 1952, 1953 to 1961, 1962 to 1970, and 1971 to 1975. Because the CIA's basic internal organization and procedures evolved during the first period, these years are treated in somewhat greater detail than the others.

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<sup>3</sup> At the time of the CIA's creation in 1947 only the State Department and the military services engaged in intelligence collection and analysis. Today the organizations responsible for U.S. intelligence activities include:

—The National Security Agency (NSA) which was established in 1952 and is under the direction of the Defense Department. NSA monitors and decodes foreign communications and electronic signals. It is the largest U.S. intelligence agency and is a collector of data rather than a producer of intelligence analysis.

—The Defense Intelligence Agency (DIA), established in 1961, is responsible to the Joint Chiefs of Staff and the Secretary of Defense. DIA was intended to limit duplication among the service intelligence agencies. Its primary task is production rather than collection.

—The Bureau of Intelligence and Research, the State Department's intelligence component, has no independent collection capability of its own but employs Foreign Service reports in the production of analyses for the Department's senior officials.

—The service intelligence agencies, Army, Navy and Air Force, collect and analyze information related to "tactical intelligence," essentially regional intelligence on foreign military capabilities.

—The FBI, the Treasury Department and the Energy Research and Development Administration have intelligence capabilities that support their respective missions.