PART THREE
THE NATIONAL SECURITY COLOSSUS (1939-75)

The calendar recorded the completion of a decade, but the events of 1939 would mark the passage of an era. The world stood watching, transfixed by what Winston Churchill called "the gathering storm," awaiting the final climactic acts in what he described as "another Thirty Years' War." ¹ Hitler had been tolerated; Der Fuehrer had been appeased; and then, with the invasion of Poland on the first day of September, the aggression of Nazism had to be halted. While England, supported by the British empire, was destined to be Germany's primary opponent for two years prior to American entry into the European hostilities, His Majesty's Government had only recently come to a wartime posture. Production of modern fighter aircraft—the Spitfire and Hurricane types—had not gotten underway until 1937; it has been estimated that, in 1938 and the initial months of 1939, "Germany manufactured at least double, and possibly triple, the munitions of Britain and France put together, and also that her great plants for tank production reached full capacity." ² Conscription was not effected in the United Kingdom until April 1939. Churchill did not form a government until May 1940, approximately nine months after the declaration of war.

The British did have some advantages, one of them being the development and deployment of radio direction-finding techniques or radar. Experimental stations were erected in March 1936, for aircraft detection and efforts were also made to track ships at sea utilizing this device. According to Churchill:

By 1939, the Air Ministry, using comparatively long-wave radio (ten metres), had constructed the so-called coastal chain, which enabled us to detect aircraft approaching over the sea at distances up to about sixty miles. An elaborate network of telephonic communication had been installed under Air-Marshall Dowding, of Fighter Command, linking all these stations with a central command station at Uxbridge, where the movements of all aircraft observed could be plotted on large maps and thus the control in action of all our own air forces maintained. Apparatus called I.F.F. (Identification Friend or Foe) had also been devised which enabled our coastal chain radar stations to distinguish British aircraft which carried it from enemy aircraft. It was found that these long-wave stations did not detect aircraft approaching at low

² Ibid., p. 336.
heights over the sea, and as a counter to this danger a supplementary set of stations called C.H.L. (Chain Stations Home Service Low Cover) was constructed, using much shorter waves (one and a half metres) but only effective over a short range. In June 1938, Churchill was introduced to another detection technique, the Asdics, "the name which described the system of groping for submarines below the surface by means of sound waves through the water which echo back from any steel structure they met." This process also stood ready for application at the time when open warfare erupted on the Continent.

But, while these technological innovations would soon be replicated by Germany, Britain obtained one inestimable intelligence advantage over the Nazis which has only recently been publicly revealed. In 1938, through the intervention of a Polish mechanic just fired from the production facility in eastern Germany, British intelligence learned that the Nazis were developing an improved Enigma mechanical cipher process. Soon the Polish Secret Service proved successful in purloining one of the machines. By the eve of war, the British had mastered the operation of the device and its resultant code. Simultaneously, Germany, unaware of the British intelligence advantage, put the new Enigma process into service and utilized it all during the war.

I. Neutral America

With the outbreak of hostilities on the Continent, the United States remained in a state of peace and qualified neutrality. But a policy of detachment from international conflict did not signify that American officials were unaware that the nation's territory, resources, and politics were subject to penetration and exploitation by the European belligerents. During his first term as President, Franklin D. Roosevelt had become sufficiently concerned about the traffickings of Fascists and Communists in the country that he had urged Federal Bureau of Investigation Director J. Edgar Hoover to begin probing the activities of these ideologues.

Late in 1938, President Roosevelt had approved a $50,000 appropriation for the FBI to conduct espionage investigations (a sum later raised by Congress to $300,000). Hoover regarded this authorization of funds by the President as giving primary responsibility in the civilian field to the FBI. No similar appropriation was earmarked for any other nonmilitary investigative agency. As a result, the FBI and the War Department's Military Intelligence Division worked out a cooperative program, with approval of the Office of Naval Intelligence, to exchange information in subversive investigations. This arrangement was approved in principle by the new Attorney General, Frank Murphy. On February 7, 1939, the

*Ibid., pp. 155-156.
*Ibid., p. 163.
*Further details on the breaking of the German code and its use during the war may be found in F. W. Winterbotham. The Ultra Secret. New York, Harper and Row, 1974.
Assistant to the Attorney General, Joseph B. Keenan, informed other investigative agencies of the agreement. He asked that they send any information regarding espionage or subversion to the FBI. Hoover advised his special agents that Keenan’s letter meant “all complaints relating to espionage, counterespionage, and sabotage cases should be referred to the Bureau, should be considered within the primary jurisdiction of the Bureau, and should, of course, receive preferred and expeditious attention.”

Keenan’s letter elicited angry reactions from the other various Federal investigative agencies, protesting both the coordination plan and the usurpation of aspects of their jurisdiction by the FBI. Assistant Secretary of State George S. Messersmith called a conference with War, Navy, Treasury, Post Office, and Justice Department (but not FBI) representatives and announced that the President had selected him to coordinate probes of foreign agents. When this assertion could not be substantiated, Messersmith reversed his position, advocating that espionage investigations be divided among the various agencies.

Hoover felt that responsibility should be concentrated and a pattern of close cooperation established. War and Navy agreed: their intelligence units had already asked the FBI to handle “within the United States and its territories” the civilian aspects of such espionage investigations as they were conducting from the military angle. The State Department, however, felt that its Office of Security must keep unshared control over “sensitive” information—because of its extreme delicacy and its relationship to foreign-policy decisions.

One fact which appears to have weighted the scales in favor of a coordinated plan was that nobody wanted a repetition of the bungling which had, during World War I, resulted from snarled lines of responsibility. Another was that, without coordination, various federal bodies might all be keeping tabs on the same individual, each from the angle of its own work, without the pieces ever being put together to form a pattern.

Ultimately, it was the President who concluded that espionage, counter-espionage, and sabotage information had to be coordinated. Accordingly, the following directive was issued on June 26, 1939, to members of the Cabinet.

It is my desire that the investigation of all espionage, counter-espionage, and sabotage matters be controlled and handled by the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department. The directors of these three agencies are to function as a committee to coordinate their activities.

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1 Ibid., p. 198.
2 Ibid.
No investigations should be conducted by any investigative agency of the Government into matters involving actually or potentially any espionage, counterespionage, or sabotage, except by the three agencies mentioned above.

I shall be glad if you will instruct the heads of all other investigative agencies than the three named, to refer immediately to the nearest office of the Federal Bureau of Investigation any data, information or material that may come to their notice bearing directly or indirectly on espionage, counterespionage, or sabotage.

This was subsequently followed by another presidential directive pertaining to F.B.I. intelligence responsibilities, issued September 6, a few days after formal declarations of war had been made by the European powers. It said:

The Attorney General has been requested by me to instruct the Federal Bureau of Investigation of the Department of Justice to take charge of investigative work in matters relating to espionage, sabotage, and violations of the neutrality regulations.

This task must be conducted in a comprehensive and effective manner on a national basis, and all information must be carefully sifted out and correlated in order to avoid confusion and irresponsibility.

To this end I request all police officers, sheriffs, and all other law enforcement officers in the United States promptly to turn over to the nearest representative of the Federal Bureau of Investigation any information obtained by them relating to espionage, counterespionage, sabotage, subversive activities, and violations of the neutrality laws.

On September 8, President Roosevelt declared (54 Stat. 2643) a national emergency within the nation, thereby granting extraordinary powers to the Executive short of a condition of war.\[10\]

Four months later, on January 5, 1940, Hoover told the [House] Subcommittee on Appropriations about the steps he had taken to ready the Bureau for its intelligence function, and also about the consequences of this new assignment and the outbreak of war in Europe as measured in terms of workload.

The field offices which had been requested earlier by Army and Navy Intelligence had been opened in the Canal Zone, Puerto Rico, and the Philippines. Field offices had been opened, also, near six large shipping centers or military bases: in Albany, Baltimore, Savannah, Grand Rapids, Phoenix, and San Diego.

With an eye to preventing espionage and sabotage, the Army and Navy had asked the FBI to assume jurisdiction for them over "plant production activities" in places that

manufactured articles for their use. A procedure which involved no policing, but which was educational and consultative, was currently being applied in 540 plants; and it was capable of expanding to reach as many as 12,000 in "a time of greater emergency." Most plant owners had welcomed it and were giving "excellent cooperation."

At Washington headquarters, a General Intelligence Division—forerunner of today's Domestic Intelligence Division—had been created to coordinate and supervise all work related to "espionage, sabotage, and other subversive activities and violations of the neutrality regulations." Its Translation Section made available for use the substance of subversive foreign-language "communications, documents, and papers." Its Code Section broke down codes and decoded intercepted messages.

Also, special investigations were being made of persons reported to be active in "any subversive activity or in movements detrimental to the internal security." With reference to those who might have to be more fully investigated in the event of an acute national emergency, the results of the special investigations were being kept on file.

Still, in many other regards, the American intelligence community was insufficient to actual needs during the twilight prior to the nation's entry into the world war. As one authority has observed:

As late as 1938 army counterintelligence in the United States and its possessions abroad consisted of no more than three officers and eighteen agents, exactly one of whom spoke a foreign language. Even worse, the limited numbers involved in intelligence and counterintelligence included many who had neither the qualifications nor the feel for intrigue. Frequently career naval and air officers who demonstrated no special aptitude in other branches of service life were relegated to intelligence work simply to be got rid of. In 1939, despite memories of the substantial American commitment in the First World War and an awareness that a new war was threatening to follow the earlier pattern, the national secret services amounted to very little.

On May 27, 1941, the President issued (55 Stat. 1647) a second proclamation of national emergency, saying, in part:

I have said on many occasions that the United States is mustering its men and its resources only for purposes of defense—only to repel attack. I repeat that statement now. But we must be realistic when we use the word "attack;" we have to relate it to the lightning speed of modern warfare.

Some people seem to think that we are not attacked until bombs actually drop in the streets of New York or San Francisco or New Orleans or Chicago. But they are simply  

11 Overstreet, op. cit., pp. 89-90.  
shutting their eyes to the lesson that we must learn from the fate of every Nation that the Nazis have conquered.

The attack on Czechoslovakia began with the conquest of Austria. The attack on Norway began with the occupation of Denmark. The attack on Greece began with occupation of Albania and Bulgaria. The attack on the Suez Canal began with the invasion of the Balkans and North Africa, and the attack on the United States can begin with the domination of any base which menaces our security—north or south.

Nobody can foretell tonight just when the acts of the dictators will ripen into attack in this hemisphere and us. But we know enough by now to realize that it would be suicide to wait until they are in our front yard.13

The watching and waiting were over. America was preparing for war. Seven months later war was a reality.

II. Attack

On Sunday morning, December 7, 1941, Japanese aircraft attacked American military and naval installations at Pearl Harbor in Hawaii. The surprise engagement lasted approximately two hours; resolution of the Pacific conflict would occur four years later with the arrival of the atomic age. Simultaneous with the raid on Oahu, the Japanese launched assaults on the Philippines, Guam, and Midway Island. These events tragically condemned the pitiful condition of American intelligence efforts. The following day Congress declared war on Japan. Three days later, the United States extended the declaration to Germany and Italy.

The initial months of the Pacific conflict were desperate and devastating for American forces. At Pearl Harbor, 19 ships were sunk or disabled; about 150 planes were destroyed; 2,335 soldiers and sailors were killed and 68 civilians perished. The Japanese seized Guam (December 13) and Wake Island (December 22). The Philippine invasion (December 10) repelled the American defenders with Manila and Cavite soon falling to the Japanese (January 2). After a siege of more than three months endurance, Bataan collapsed (April 9) and American forces withdrew to Corregidor Island where 11,500 ultimately were forced to surrender (May 6) to the Japanese.

The costly Battle of the Java Sea (February 27–March 1) traded vital naval war material and precious lives for time; having re-grouped its forces, the Navy halted the Japanese advance in the Battle of the Coral Sea (May 7–8), the first engagement in history in which surface ships did not directly destroy each other as all fighting was done by carrier-based aircraft. A month later, in the Battle of Midway, the Japanese suffered their first major defeat—4 aircraft carriers sunk and 275 planes lost—and the tide of the Pacific war began turning against Nippon.

American forces did not actively join in the offensive against Germany and Italy until 1942. The first independent United States bomb-

ing raid in Europe was conducted (August 17) by the Eighth Air Force from England in an assault upon the railroad yards at Rouen. By autumn, British and American troops under the command of General Dwight D. Eisenhower executed Operation Torch with landings (November 8) in North Africa. By the new year, Eisenhower was appointed (February 6) commander in chief of all allied forces in Africa and by the spring (May 13) had succeeded in liberating that continent. Out of this campaign came the strategic advantage for the invasion of Italy (September 3–9) and recognition of Eisenhower, soon transferred (January 16, 1944) to command of Allied Expeditionary Forces in London, as a brilliant organizer and leader of the diverse allied armies. Six months after assuming command of the European Theater, Eisenhower was executing (June 6) Operation Overload, the invasion of France along the Normandy peninsula. It was the beginning of the end of the Nazi empire.

During the spring and summer months of 1945, World War II came to a halt. On May 1 the provisional German government announced Hitler was dead, a suicide in the ruins of Berlin. An instrument of surrender was signed at Allied headquarters at Reims on May 7; V–E Day, the formal end of the war in Europe, occurred the following day; and the German surrender was ratified in Berlin on May 9. Three months later, United States aircraft dropped atomic devices on Hiroshima (August 6) and Nagasaki (August 10). Agreement as to the conditions for Japan’s surrender was achieved on August 14; V–J Day, the formal end of war in the Pacific, occurred the following day; and the Japanese surrender was finalized on September 2. Official termination of the declaration of war against Germany took place on October 19, 1951 (65 Stat. 451); official termination of war with Japan came on March 20, 1952, with the Senate ratification of the treaty of peace.

III. Office of Strategic Services

Although various defense and civilian departments and agencies of the Federal Government maintained units for intelligence purposes during World War II, it was during this period of international tumult that the first centralized intelligence structure came into existence. The man proposing the new intelligence entity was William J. Donovan, a much decorated hero of World War I, an attorney, a Republican, an internationalist, and an ardent foe of totalitarianism. President Roosevelt welcomed the suggestion of a single agency which would serve as a clearinghouse for all intelligence, as well as an organ of counterpropaganda and a training center for what were euphemistically called “special operations,” and invited Colonel Donovan to be its head. At first Donovan was reluctant. His World War I antipathy to desk generalship was still strong, and though he was now fifty-eight he preferred to lead a combat division; but the prospect of organizing a unified intelligence, sabotage and subversive warfare unit, the first in American history, was most tempting. After a lengthy discussion with the Presi-
dent, he agreed to form the new agency, under the somewhat misleading title of Coordinator of Information.14

Born in Buffalo, New York, on New Year’s Day, 1883, William Joseph Donovan’s paternal grandparents had immigrated to the United States from Ireland in about 1840. His father sold real estate at one time and later operated an insurance business. After attending St. Joseph’s Collegiate Institute and Niagara University (B.A., 1905), William studied at Columbia University (LL.B., 1907) and was admitted to the New York bar in 1908. Four years later he formed his first law partnership and began his military career, enlisting in the 1st Cavalry of the New York National Guard. He saw nine months of active duty along the Rio Grande during the Mexican campaign in 1916. When the United States entered the European hostilities the following year, Donovan was assistant chief of staff of the 27th Division of the New York National Guard. With the formation of the 42nd “Rainbow” Division, he was assigned to the 165th Infantry and subsequently became a colonel with the Fighting 69th Regiment. Wounded three times during twenty-one months of active service overseas, Donovan became one of the most decorated soldiers of the Great War. His own government awarded him the Congressional Medal of Honor, the Distinguished Service Cross, and the Distinguished Service Medal. He was the only member of the armed forces to receive these three cherished decorations during World War I.

In the summer of 1919, returned to civilian life and about to resume his law practice in Buffalo, Donovan and his wife of five years left the United States on a long-deferred honeymoon to Japan. It was then that he began his intelligence activities.

They had relaxed in Tokyo but a few days when the American ambassador, Roland Morris, called Donovan on urgent business. Morris was about to depart for Siberia to evaluate the reportedly unstable status of the White Russian government at Omsk, headed by Admiral Alexander Kolchak, and advise the State Department whether the Kolchak regime should be supported by the United States. He needed someone with Donovan’s background and training to accompany him on his confidential mission. Ruth Donovan reconciled herself to what would become a pattern of similar missions over the next forty years.15

A variety of other government positions soon beckoned Donovan. He became a U.S. Attorney for the Western District of New York in 1922. Shortly thereafter he served as a delegate to a Canadian-American customs conference held in Ottawa, which produced a treaty of cooperation in preventing international crimes. In 1924 Donovan was appointed Assistant Attorney General in charge of Federal criminal matters; the following year he became the assistant

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15 Ibid., p. 59.
to Attorney General John G. Sargent, a position he held until 1929. Returning to New York, Donovan acted as counsel for the panel revising the state laws pertaining to the Public Service Commission. During the 1930's he traveled to Ethiopia as an impartial observer of the invasion by Italy; next he was in Spain scrutinizing the development of the civil war in that land. Through friends and contacts in Europe, he kept well informed on the progress of totalitarianism on the Continent. With the outbreak of war in 1939, Donovan became a valuable operative for neutral America. In July, 1940, he went to Great Britain to observe the Blitz for Secretary of the Navy Frank Knox. Upon his return he made a vigorous effort to publicize England's ability to survive the German assault and to secure aid for the embattled British. In December he was again on a reconnaissance mission, touring Gibraltar, Malta, Egypt, Greece, Bulgaria, Yugoslavia, Turkey, Cyprus, Palestine, Spain, Portugal, and again to Great Britain. With his observations on the military, political, and economic conditions in these nations he also offered the suggestion for creating a centralized intelligence agency. The impetus for such an organization derived not only from felt need for such an entity at the Federal level, but also from a close familiarity with the Special Operations structure of the British government. Once the American counterpart to the British intelligence office was established, Donovan became its chief, but served from the fall of 1941 to the spring of 1943 without a government salary or an active duty military rank.

In the summer of 1941, four months before the Japanese struck Pearl Harbor, President Roosevelt issued a directive (7 F.R. 3422-3423) designating a Coordinator of Information which said:

By virtue of the authority vested in me as President of the United States and as Commander in Chief of the Army and Navy of the United States, it is ordered as follows:

1. There is hereby established the position of Coordinator of Information, with authority to collect and analyze all information and data which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and officials of the Government as the President may determine; and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government.

2. The several departments and agencies of the Government shall make available to the Coordinator of Information all and any such information and data relating to national security as the Coordinator, with the approval of the President, may from time to time request.

3. The Coordinator of Information may appoint such committees, consisting of appropriate representatives of the vari-

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1 On Donovan's overseas observation missions see Ibid., pp. 78-107.
2 Ibid., p. 107.
3 Ibid., p. 174.
ous departments and agencies of the Government, as he may deem necessary to assist him in the performance of his functions.

4. Nothing in the duties and responsibilities of the Coordinator of Information shall in any way interfere with or impair the duties and responsibilities of the regular military and naval advisers of the President as Commander in Chief of the Army and Navy.

5. Within the limits of such funds as may be allocated to the Coordinator of Information by the President, the Coordinator may employ necessary personnel and make provision for the necessary supplies, facilities, and services.

6. William J. Donovan is hereby designated as Coordinator of Information.

Dated July 11, 1941, this purposely vague directive provided Donovan with an intelligence function, which might include special actions requested by the President, and a propaganda mission. After a year of operations, it was felt that the propaganda duties of the Coordinator were inappropriate to his intelligence activities. Subsequently, on June 13, 1942, these propaganda responsibilities were transferred to the newly created (E.O. 9182) Office of War Information established within the Office for Emergency Management. By military order (7 F.R. 4469–4470) of the same date, the Coordinator's office was renamed the Office of Strategic Services and placed under the jurisdiction of the Joint Chiefs of Staff. Donovan's new charter said:

By virtue of the authority vested in me as President of the United States and as Commander-in-Chief of the Army and Navy of the United States, it is ordered as follows:

1. The office of Coordinator of Information established by Order of July 11, 1941, exclusive of the foreign information activities transferred to the Office of War Information by Executive Order of June 13, 1942, shall hereafter be known as the Office of Strategic Services, and is hereby transferred to the jurisdiction of the United States Joint Chiefs of Staff.

2. The Office of Strategic Services shall perform the following duties:

   a. Collect and analyze such strategic information as may be required by the United States Joint Chiefs of Staff.

   b. Plan and operate such special services as may be directed by the United States Joint Chiefs of Staff.

3. At the head of the Office of Strategic Services shall be a Director of Strategic Services who shall be appointed by the President and who shall perform his duties under the direction and supervision of the United States Joint Chiefs of Staff.

4. William J. Donovan is hereby appointed as Director of Strategic Services.

5. The Order of July 11, 1941 is hereby revoked.

Although this directive clarified the duties of Donovan's organization, it did not insure the gadfly agency's operational status.
Executive Order 9182 [divesting Donovan of propaganda production responsibilities] had insured, at least for the moment, the continuance of Donovan’s controversial experiment in organized intelligence and paramilitary service; but the transfer of its jurisdiction from the President to the Joint Chiefs of Staff (which Donovan had personally requested) posed even more critical problems. Now the struggling COI had a new supervisor as well as a new name, and its functions and the extent of its authority were entirely dependent upon the decision of the JCS. This meant that all funds to operate OSS must come from Congress, primarily the House and Senate Appropriations Committees, and its budget requests must first be submitted to and approved by the gimlet-eyed Bureau of the Budget. The immediate problem of maintaining OSS during the transition period was temporarily bridged by instructions from the JCS that it should carry on as usual, pending further study of its wartime functions; but Donovan and his top staff were keenly aware that OSS faced a critical struggle to convince the Joint Chiefs and other ranking officials of the government not only that OSS should be given adequate written authority and manpower and supplies, but in fact that it should exist at all.19

Preparing his own case, Donovan, with staff assistance, drafted and redrafted a proposed OSS directive establishing the agency’s operational authority. He wasadamant that OSS should never be absorbed by or subject to the control of any other government office or the armed forces. In brief, OSS would assist and serve all segments of the Federal structure but would be subservient to none. His painstaking effort completed, Donovan forwarded the model directive and an explanatory memorandum to the Joint Chiefs.20 His time was then consumed by preparations for Operation Torch—the invasion of North Africa—and the execution of this first assault against the totalitarian forces holding the Old World captive. Among other triumphs deriving from the incursion, the

pre-invasion charts and estimates, and the OSS-pioneered technique of keeping commanders informed of conditions ashore up to the very moment of landing, had clearly demonstrated the new agency’s value; but Donovan’s draft directive, submitted to the JCS before Torch, was still being debated in committee hearings. Early in December Donovan had an informal chat with his old friend Frank Knox, Secretary of the Navy. Knox was surprised to learn that so long a period had elapsed without any formal or comprehensive instructions from the Joint Chiefs, and he took up the matter with President Roosevelt, who told General George C. Marshall, chairman of the JCS: “I wish you would give Bill Donovan a little elbow room to operate in.” Shortly afterward the Joint Chiefs appointed committees of high-ranking officers, including Admiral Frederick Horne and Generals Joseph T. McNarney and Albert Wedemeyer, to make a personal inspec-

19 Ibid., pp. 128-129.
20 See Ibid., p. 131.
tion of OSS and recommend what should be done. The com-
mittee promptly rendered reports (which were not made
available to OSS), and on December 23, 1942, six months
after it was created, the agency received its long-awaited
directive, almost word for word the draft which Donovan
had prepared.

In the field of intelligence, OSS was given the independent
status which Donovan sought, climaxing the bitter feud with
the rival service agencies. The Joint Psychological Warfare
Board, on which OSS had a minority of members, was
abolished by the JCS. Henceforth OSS was the sole agency of
the JCS authorized to operate in the fields of intelligence,
sabotage, and counterespionage, to conduct guerrilla opera-
tions, and to direct resistance groups in all enemy-occupied or
controlled territory. General Marshall stated in a personal
letter to Colonel Donovan, written on the same day the direc-
tive was issued:

"I regret that, after voluntarily coming under the jurisdic-
tion of the JCS, your organization has not had smoother
sailing. Nevertheless, it has rendered invaluable service,
particularly with reference to the North African Campaign.
I am hopeful that the new Office of Strategic Services' direc-
tive will eliminate most, if not all, of your difficulties." 21

Donovan's original idea for a centralized intelligence agency had
derived from his exposure to the British intelligence structure during
his 1940 observation missions.22 Faced with the necessity of quickly
organizing an effective intelligence operation for the United States,
Donovan again relied upon the British.

William Stephenson had developed an undercover organiza-
tion in the United States, called British Security Coordinator
(BSC), which was staffed with experienced officers; and they
supplied the pioneer American agency at the outset with
much of its secret intelligence. Experts in counterespionage
and subversive propaganda and special operations were put
at Donovan's disposal, and he was shown their methods of
communicating with resistance forces behind the lines. In the
early days, COI agents were trained at a school near Toronto,
Canada, later a model for some of the training schools of
OSS, Donovan said after the war: "Bill Stephenson and the
British Intelligence Service gave us an enormous head start
which we could not otherwise have had." 23

With information and expertise being supplied by the British, the
next task involved structuring the new intelligence entity.

Colonel Donovan brought a trained legal mind to the task
of organizing his fast-growing agency—OSS was to employ
some thirty thousand people by the war's end—and set it
up as he would prepare a trial case, with research experts to
analyze the evidence and skilled assistants to conduct the

21 Ibid., pp. 162-163.
23 Ibid., pp. 112-113.
prosecution. At the top of the chart were Donovan as director and [G. Edward] Buxton as [assistant] director, and beside them were the Planning Group and the Planning Staff. Under Donovan were his three deputy directors, with staff but not command status, who were charged with the duty of coordinating the three main OSS functions: intelligence (research and analysis, secret intelligence, counterespionage, and collateral offices), operations (sabotage, guerrilla warfare, psychological warfare, and related activities), and schools and training. A chief of services supervised the work of the offices of budget, procurement, finance, and related problems. In addition, there were some eighteen essential offices which could not be assigned effectively to any subordinate command. Thus the Security Office reported directly to Donovan, since security involved all procedures and all personnel regardless of rank. Other offices which served the entire organization were also placed under the director, including medical services, special funds, field photographic, communications, Navy and Army Commands which handled the administrative problems of OSS naval and military personnel, and a liaison office to maintain relations with other government agencies. The functions of the principal branches were:

- **Research and Analysis (R&A)** To produce the economic, military, social and political studies and estimates for every strategic area from Europe to the Far East.
- **Secret Intelligence (SI)** To gather on-the-spot information from within neutral and enemy territory.
- **Special Operations (SO)** To conduct sabotage and work with resistance forces.
- **Counterespionage (X-2)** To protect our own and Allied intelligence operations, and to identify enemy agents overseas.
- **Morale Operations (MO)** To create and disseminate black [covert] propaganda.
- **Operational Groups (OG)** To train and supply and lead guerrilla forces in enemy territory.
- **Maritime Unit (MU)** To conduct maritime sabotage.
- **Schools and Training (S&T)** In overall charge of the assessment and training of personnel, both in the United States and overseas.

Not only did this departmentalization increase the agency's effectiveness, but it helped to maintain security. Each branch of OSS had its own secret file of information, which was available to members of other branches only on an official "need to know" basis. Donovan himself was not told the real names of some of his most successful agents, nor did he seek to learn them. Complete anonymity was the best safeguard against detection by the enemy.24

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With the establishment of the Office of Coordinator of Information a recruitment of new faces into the intelligence system was inaugurated. Most would continue their service with OSS until the end of the war.

Heading Donovan’s early staff was Colonel Edward Buxton, a close friend since World War I days, who left his business in Rhode Island to become the [assistant] director of the COI. James Murphy, formerly Donovan’s secretary when he was Assistant Attorney General, was made his personal assistant. Dr. William L. Langer, distinguished Coolidge professor of history at Harvard, who had seen action as a sergeant in the Argonne and at St.-Mihiel, headed the key Research and Analysis division, following the resignation of Dr. James Phinney Baxter, president of Williams College and a brilliant administrator, who served briefly as the first chief of R&A. Dr. Edward S. Mason, later director of Harvard’s School of Public Administration and a prominent economist, Dean Calvin Hoover of Duke University, and the late Dr. Edward Meade of Princeton’s Institute for Advanced Study, and Dr. Henry Field, curator of physical anthropology at Chicago’s Field Museum, joined Donovan’s expanding unit. David K. E. Bruce, later to be named U.S. ambassador to the Court of St. James’s, came to Washington to head COI’s Special Activities Bruce (SAB), the agency’s secret intelligence branch; and M. P. Goodfellow left his newspaper business to head the sabotage branch (Special Activities Goodfellow—or SAG). (Both of these branches existed in the training stages only, since the U.S. was not yet at war.) Robert E. Sherwood, noted American playwright and an intimate of President Roosevelt assumed responsibility for the Foreign Information Service (FIS).25

When OSS was created, Sherwood became director of overseas operations at the Office of War Information. Most of the personnel staying with OSS donned uniforms and held some type of rank in the armed forces; nevertheless, they took their direction from Donovan and were not subjected to the command of the Army and Navy.

From the beginnings of COI before Pearl Harbor to the termination of OSS after V-J Day, the Research and Analysis branch was the very core of the agency. The cloak-and-dagger exploits of agents infiltrated behind the lines captured the public imagination; but the prosaic and colorless grubbing of Dr. Langer’s scientists, largely overlooked by the press, provided far and away the greater contribution to America’s wartime intelligence. From the files of foreign newspapers, from obscure technical journals, from reports of international business firms and labor organizations, they extracted pertinent figures and data. With infinite patience, they fitted the facts together into a mosaic of information—the raw material

25 Ibid., pp. 110–111.
of strategy, Donovan called it—on which the President and his Chiefs of Staff could form their operational decisions. 26

The R&A branch gained sufficient prestige that other Federal agencies sought its assistance. The Board of Economic Warfare, for example, asked R&A to determine if Soviet requests for American goods under lend-lease were justified by the conditions of their economy. On this particular matter, OSS findings proved to be more accurate than those of British intelligence. 27

At the start, Donovan established an R&A Board of Analysts, consisting of half a dozen scholars, each of whom took charge of some major activity and played an important role in recruiting further staff members. In this way, he was able to secure the high classifications needed to get the very best people for a general directorate. (Subsequently this Board of Analysts provided the model for the CIA Board of National Estimates, set up in 1950 by Dr. Langer for General Bedell Smith.) Due to its many-sided and brilliant staff, R&A was credited with producing the most accurate estimates made by the Allies in World War II. 28

In addition to its research and analysis achievements, OSS was to prove inventive and innovative in another capacity. These were the products of the research and development unit (R&D) headed by Stanley Lovell.

Dr. Stanley Lovell, in charge of the agency’s calculated mischief, was a sunny little nihilist, his spectacles twinkling and his chubby face creasing with merriment as he displayed his latest diabolic devices. This simple candle could be placed by a female agent in the bedroom of an amorous German officer, Lovell chuckled, and would burn perfectly until the flame touched the high explosive contained in the lower half of the candle. This innocent-looking plastic cylinder called the Firefly, dropped furtively into the gas tank of a car by a Maquis filling-station attendant, would explode after the gasoline had swelled a rubber retaining ring. If the vehicle were a German tank—Lovell had to pause to wipe his spectacles and dab the tears of laughter from his eyes—the occupants would be cremated before they could open the escape hatch. This anerometer, a barometric fuse attached to a length of hose packed with explosive, could be slid into the rear of the fuselage of an enemy aircraft; at five thousand feet altitude, he


**Ford, op. cit.,** p. 150.
explained gleefully, the entire tail section would blow off. This limpet, fastened by a powerful magnet to the side of a ship below waterline, would detonate when the magnesium alloy was eroded by salt water, long after the saboteur had left the area. It was used effectively by the Norweign underground to sink Nazi troop-ships in the narrow fjords of Oslo and Narvik—Lovell doubled up and slapped his knees at the thought—and sent untold thousands of German soldiers to a watery grave.29

In spite of the various intelligence accomplishments of OSS, not everyone in Washington was happy about the creation and existence of Donovan’s organization.

J. Edgar Hoover, perhaps fearing that COI would steal the spotlight long enjoyed by his FBI, was not satisfied until he had Roosevelt’s word that Donovan would be expressly forbidden to conduct any espionage activities within the United States. Nelson Rockefeller, Chairman of the State Department’s Committee to Coordinate Inter-American Affairs (once called, even more pretentiously, the Committee on Cultural and Commercial Relations Between North and South America) echoed the FBI in seeking assurance that Donovan would likewise be excluded from his established bailiwick in the southern hemisphere. Major General George V. Strong, later chief of Army G-2, could not understand that G-2 represented tactical military intelligence and COI strategic intelligence of all kinds; and Strong therefore felt there was a definite conflict of interests. He vigorously fought Roosevelt’s proposal that Colonel Donovan should be returned to active duty with the rank of major general—a grade more commensurate with his new duties—and offered the irrelevant argument that “Wild Bill” was too independent to be a team player, “If there’s a loose football on the field,” Strong protested, “he’ll pick it up and run with it.” Isolationist senators such as Burton Wheeler and Robert Taft likewise opposed Donovan’s advance in rank, and Taft rose on the Senate floor to warn his colleagues of the danger of White House control of intelligence and investigative units. Realizing that the suggested promotion might cause a prolonged Congressional fight, Roosevelt yielded, at least for the moment, and Donovan took over as head of COI in a civilian capacity.30

Though the President granted the FBI exclusive intelligence jurisdiction over South and Latin America, OSS still made forays into the region.31 The rivalry between the two agencies also exemplified itself in other ways.

29Ibid., p. 170; R&D also produced or at least considered a number of bizarre and totally impractical schemes and devices; see Stanley P. Lovell. Of Spies and Stratagems. Engelwood Cliffs, Prentice-Hall, 1963.
31See Smith, op. cit., p. 20.
In January 1942 Donovan's officers secretly penetrated the Spanish embassy in Washington and began photographing the code books and other official documents of Franco's pro-Axis government. Hoover learned of this operation and was angered because the COI men were invading his operational territory. The FBI did not bother to register a formal protest. While the COI officers were making one of their nocturnal entries into the embassy in April, two FBI squad cars followed. When Donovan's men were in the building, the cars pulled up outside the embassy and turned on their sirens. The entire neighborhood was awakened and the COI interlopers were sent scurrying. Donovan protested this incredible FBI action to the White House. Instead of reprimanding Hoover, Roosevelt's aides ordered the embassy infiltration project turned over to the Bureau.32

OSS was also restricted from entering the Pacific Theater (but not Asia) by General Douglas MacArthur. The agency's intelligence materials were utilized by MacArthur in his invasion of and return to the Philippines; Admiral Chester Nimitz had a small OSS maritime unit for underwater demolition action with his fleet; and another OSS force delivered special weapons to the Tenth Army for the Okinawa landing, but Donovan's agents were otherwise unauthorized to operate in MacArthur's command area.33

General MacArthur's intransigence is difficult to explain. His personal relationship with Donovan was cordial, they had served together in the Rainbow Division during the First World War, and both were highly decorated heroes. Donovan entertained the deepest regard for MacArthur's brilliance as a military strategist, and never offered any reason for his adamantine opposition to OSS; but members of the agency had their private theories. Some speculated that [Charles] Willoughby [MacArthur's intelligence chief], anxious to insure full credit for his intelligence unit, feared that "Wild Bill" would grab the spotlight. Others held that MacArthur, a West Pointer and firm believer in the chain of command, objected to the presence of a uniformed civilian acting independently in his theater. A few intimates, who knew Donovan's own determination, suspected that it was the inevitable clash between two strong personalities, equally fixed in purpose.34

In spite of these jurisdictional limitations placed on OSS by the FBI and the Army, the agency gathered its intelligence materials from all over the globe by whatever means available. Agreements were negotiated regarding "special operations" by OSS at the outset of efforts to liberate Europe, beginning with the North African invasion.

In planning the invasion, political problems posed themselves immediately. Roosevelt secured Churchill's agreement

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32 Ibid.
33 See Ford, op. cit., p. 253.
34 Ibid., pp. 253-254; as commander of United Nations troops in Korea in 1951, MacArthur also refused to allow the Central Intelligence Agency to operate in his theater.
that the landings, code-named TORCH, should be a predominantly American operation (with the United States handling the diplomatic aspects). The President and his advisors believed that anglophobic French commanders in North Africa would offer less resistance to a landing led by American troops with British forces remaining in the background.

At the secret service level, a similar agreement had been reached in June 1942 as part of a comprehensive operational accord with the British SOE [Special Operations Executive], negotiated in London by OSS Colonels Preston Goodfellow . . . and Garland Williams, an official of the New York Narcotics Commission. In the first of several war-time delineations of “spheres of influence” for clandestine activity, OSS took primary responsibility for subversion in North Africa (as well as China, Korea, the South Pacific, and Finland). The British, in turn, assumed temporary predominance in India, West Africa, the Balkans, and the Middle East. Western Europe was considered joint territory.35

Such agreements, of course, were of momentary importance and required renegotiations as new areas came under liberation and whenever the grand strategists shifted their attack objectives and designs for routing the enemy. In the midst of such planning, old jealousies and new antagonism flared against OSS.

Back in the early days of COI, London had been most cooperative, sharing its training facilities and operational techniques with the struggling new agency. As OSS grew stronger, however, SIS [the British Secret Intelligence Service] showed an increasing reluctance to accept its American counterpart as a full and equal partner.

Britain’s position was enhanced by the Theater Command’s lack of sympathy with OSS objectives. Throughout 1942-43, the practice of ETOUSA (European Theater of Operations) was to rely mainly on British Intelligence and ignore OSS offers of assistance, thus inadvertently aiding SIS efforts to subordinate the younger American organization. The U.S. Theater Command staff based their policy on Britain’s greater experience in the field; but they overlooked the fact that OSS could provide new and different information to supplement or even refute the intelligence from other sources, and would serve long-range U.S. strategic needs best if it remained independent.

The issue came to a head in September of 1943 when ETOUSA refused to give OSS authority to conduct espionage on the European continent unless it operated under British supervision. General Donovan insisted that freedom from the knowledge and influence of any outside power was essential to the success of his Secret Intelligence branch, and he strongly opposed the SIS efforts to force an amalgamation. In an appeal to the Joint Chiefs of Staff, he pointed out that Britain’s proposal “suggests ‘coordination’ and ‘agree-

35 Smith, op. cit., pp. 51-52.
ment,' but as employed here the word 'coordination' means 'control' and 'agreement' means 'dependence.' . . . This attempt of the British, by reason of their physical control of territory and communication, to subordinate the American intelligence and counterintelligence service is shortsighted and dangerous to the ultimate interests of both countries.39

As a result of his arguments, a new JCS directive on October 27, 1943 gave OSS full and unqualified authority to operate on the Continent. ETOUSA accordingly reversed its position, and the independence of American long-range espionage was assured. Rather than engage in destructive competition, the British yielded. OSS Special Operations (SO) and Counterintelligence (X-2) greatly strengthened their ETO and were given access to the extensive files which Britain had taken decades to develop. In turn, OSS provided funds, manpower, resistance supplies, three sub-chasers for Norwegian operations, and a squadron of Liberator bombers for airdrops to occupied countries. Thenceforth, throughout the war American and British intelligence worked in productive though discreet partnership.36

On occasion, unusual organization schemes facilitated Donovan's efforts at maintaining an effective intelligence operation. Early in the war, influential German emigres to the United States were recruited by Shortwave Research, Inc., a CO1 front, to broadcast anti-Nazi messages to their homeland.37 To retain an OSS foothold in China, Donovan found it necessary to agree to creating the Sino-American Cooperative Organization, headed by Chiang Kai-shek's feared and hated secret police chief, Tai Li, described by one OSS report as "not the Admiral Canaris of China, but the Heinrich Himmler."

The deputy director of the unit was Captain Milton "Mary" Miles who, while chief of OSS Far Eastern operations and commander of Navy Group/China, had befriended Tai Li. The scheme was harshly criticized by the theater commander, General Joseph Stilwell and his highly experienced State Department political advisors, John Paton Davies, Jr. and John Service. The new organization soon began to disintegrate; Miles became hostile toward OSS headquarters and autocratic in terms of controlling OSS field operations in China. Eventually, Donovan personally intervened, fired Miles, and challenged Tai Li to try and halt OSS agents operating in his country. Donovan also enlisted the help of General Claire Chennault in establishing independence for OSS operations in China and championing the agency's activities.38

And in the middle of neutral Switzerland, attached to the American Legation at Bern as a Special Assistant to the Minister, was Allen Dulles, an OSS master agent literally surrounded by the Nazi regime. Dispatched in November 1942, Dulles was instrumental in intelligence gathering and directing special operations within enemy territory. From February to May 1945, he served as the negotiator and conciliator in efforts which led to the unconditional surrender of close to a

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36 Ford, op. cit., pp. 165-166.
37 Smith, op. cit., p. 405n.
million men occupying Northern Italy and the termination of hostilities on that front.30

In the autumn of 1944, as Allied troops continued to roll across Europe and press closer to Japan in the Pacific, President Roosevelt sought Donovan's thinking on the matter of a permanent intelligence organization for the period after the end of the war. In response to the Chief Executive's request, Donovan offered the following classified memorandum:

**November 18, 1944.**

Pursuant to your note of 31 October 1944, I have given consideration to the organization of an intelligence service for the post-war period.

In the early days of the war, when the demands upon intelligence services were mainly in and for military operations, the OSS was placed under the direction of the JCS.

Once our enemies are defeated the demand will be equally pressing for information that will aid us in solving the problems of peace.

This will require two things:

1. That intelligence control be returned to the supervision of the President.
2. The establishment of a central authority reporting directly to you, with responsibility to frame intelligence objectives and to collect and coordinate the intelligence material required by the Executive Branch in planning and carrying out national policy and strategy.

I attach in the form of a draft directive (Tab A) the means by which I think this could be realized without difficulty or loss of time. You will note that coordination and centralization are placed at the policy level but operational intelligence (that pertaining primarily to Department action) remains within the existing agencies concerned. The creation of a central authority thus would not conflict with or limit necessary intelligence functions within the Army, Navy, Department of State and other agencies.

In accordance with your wish, this is set up as a permanent long-range plan. But you may want to consider whether this (or part of it) should be done now, by executive or legislative action. There are common-sense reasons why you may desire to lay the keel of the ship at once.

The immediate revision and coordination of our present intelligence system would effect substantial economies and aid in the more efficient and speedy termination of the war.

Information important to the national defense, being gathered now by certain Departments and agencies, is not being used to full advantage in the war. Coordination at the strategy level would prevent waste, and avoid the present confusion that leads to waste and unnecessary duplication.

Though in the midst of war, we are also in a period of transition which, before we are aware, will take us into the

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tumult of rehabilitation. An adequate and orderly intelligence system will contribute to informed decisions.

We have now in the Government the trained and specialized personnel needed for the task. This talent should not be dispersed.

WILLIAM J. DONOVAN, Director.

TAB A

Substantive Authority Necessary in Establishment of a Central Intelligence Service

In order to coordinate and centralize the policies and actions of the Government relating to intelligence:

1. There is established in the Executive Office of the President a central intelligence service, to be known as the ________, at the head of which shall be a Director appointed by the President. The Director shall discharge and perform his functions and duties under the direction and supervision of the President. Subject to the approval of the President, the Director may exercise his powers, authorities and duties through such officials or agencies and such manner as he may determine.

2. There is established in the ________ an Advisory Board consisting of the Secretary of State, the Secretary of War, the Secretary of the Navy, and such other members as the President may subsequently appoint. The Board shall advise and assist the Director with respect to the formulation of basic policies and plans of the ________.

3. Subject to the direction and control of the President, and with any necessary advise and assistance from the other Departments and agencies of the Government, the ________ shall perform the following functions and duties:

   (a) Coordination of the functions of all intelligence agencies of the Government, and the establishment of such policies and objectives as will assure the integration of national intelligence efforts;

   (b) Collection either directly or through existing Government Departments and agencies, of pertinent information, including military, economic, political and scientific, concerning the capabilities, intentions and activities of foreign nations, with particular reference to the effect such matters may have upon the national security, policies and interests of the United States;

   (c) Final evaluation, synthesis and dissemination within the Government of the intelligence required to enable the Government to determine policies with respect to national planning and security in peace and war, and the advancement of broad national policy;

   (d) Procurement, training and supervision of its intelligence personnel;

   (e) Subversive operations abroad;
(f) Determination of policies for an coordination of facil-

ities essential to the collection of information under sub-

paragraph "(b)" hereof; and

(g) Such other functions and duties relating to intelli-

gence as the President from time to time may direct.

4. The ——— shall have no police or law-enforce-

ment functions, either at home or abroad.

5. Subject to Paragraph 3 hereof, existing intelligence

agencies within the Government shall collect, evaluate, syn-

thesize and disseminate departmental operating intelligence,

herein, defined as intelligence required by such agencies in

the actual performance of their functions and duties.

6. The Director shall be authorized to call upon Depart-

ments and agencies of the Government to furnish appropri-

ate specialists for such supervisory and functional positions

within the ——— as may be required.

7. All Government Departments and agencies shall make

available to the Director such intelligence material as the

Director, with the approval of the President, from time to

time may request.

8. The ——— shall operate under an independent

budget.

9. In time of war or unlimited national emergency, all

programs of the ——— in areas of actual or projected

military operations shall be coordinated with military plans

and shall be subject to the approval of the Joint Chiefs of

Staff. Parts of such programs which are to be executed in a

theater of military operations shall be subject to the control

of the Theater Commander.

10. Within the limits of such funds as may be made avail-

able to the ———, the Director may employ necessary

personnel and make provision for necessary supplies, facili-

ties and services. The Director shall be assigned, upon the

approval of the President, such military and naval personnel

as may be required in the performance of the functions and

duties of the ———. The Director may provide for the

internal organization and management of the ——— in

such manner as he may determine.40

Three months later, on February 9, 1945, the isolationist press

triumvirate—the Chicago Tribune, the New York Daily News, and

the Washington Times-Herald—carried an article by Walter Trohan

characterizing the proposed agency as an “all-powerful intelligence

service to spy on the postwar world” and one which “would supercede

all existing Federal police and intelligence units.” The column

continued with full quotations from the memorandum and draft direc-

tive prepared by Donovan. The effect of the story was to raise a

multiplicity of fears about such an entity being established and to

also unleash a profusion of jealousies among the existing Federal

intelligence and investigative units. The source of the leak regard-

Donovan's communique to the President was thought to be FBI Director Hoover.41 A second blow was delivered to OSS in April when the man who had urged its creation and had remained appreciative of its mission vis-a-vis the other intelligence functionaries died suddenly in Warm Springs, Georgia. In many ways, the war, due to end in four months, claimed one more fatality in the case of Franklin D. Roosevelt. But it also seized a President who understood and championed the unique intelligence activities of OSS. The new Chief Executive would be far less appreciative.

It must be conceded, in fairness to Harry Truman, that he had never been taken into the full confidence of President Roosevelt. Their relationship was less than full or intimate; and, deliberately or due to carelessness, he had failed to brief his Vice-President on the dangers of an intelligence gap in the dawning atomic age. Whether it would have saved Donovan's plan for a centralized and independent postwar intelligence service is questionable. Truman was a practical politician; and he saw OSS as a political liability because it gave the opposition, both extreme right and extreme left, a chance to attack the administration. The cry was on to cut the military expenditure, to disarm, to bring the boys home. Roosevelt might have refused to yield to public pressure, but Truman could not count on the same support of the American people.42

Without consulting Donovan or the Joint Chiefs of Staff, President Truman, on September 20, directed (E.O. 9621) that OSS terminate operations effective October 1, 1945. The Bureau of the Budget, prompted by Secretary of State James F. Byrnes, insisted on relocating the R&A section of OSS within the State Department to facilitate research needs there. "At Secretary Byrnes's request, Dr. Langer came to State in 1946 for six months, to set up the intelligence unit, but the regional desks were not particularly interested at the time." 43 Established as the Interim Research and Intelligence Branch, the unit became the Office of Intelligence Research in 1947 and the Bureau of Intelligence and Research a decade later.

The Secret Intelligence (SI) and Counterespionage (X-2) sections were transferred to the War Department where they formed the Strategic Services Unit which, in one expert's view, "was nothing more than a caretaker body formed to preside over the liquidation of the OSS espionage network." 44

Only after the integrated mechanism of OSS had been scrapped, and the majority of its trained personnel, who would have liked to continue, had drifted away in disgust, did the truth dawn on Truman that he was no longer able to obtain overseas information of the type available during

41 See Ibid., pp. 300-305 ; Smith, op. cit., pp. 363-365.
42 Ford, op. cit., p. 312.
43 Ibid., p. 314n.
44 Smith, op. cit., p. 364.
World War II. As General Donovan had predicted, a critical intelligence gap had developed, leaving the United States far behind the other major powers. So urgent was the need for knowledge that in January, 1946, at far greater expense and effort than would have been necessary if Donovan’s advice had been followed, Truman set up an intermediate National Intelligence Authority, made up of the Secretaries of State, War and Navy, and the Chief of Staff to the President. Under this agency was a so-called Central Intelligence Group (CIG), headed by Rear Admiral Sidney Souers, an acquaintance of Truman’s from Missouri whose intelligence background consisted of a tour as deputy director of ONI [Office of Naval Intelligence] and who is said to have been instrumental in persuading Truman to set up the NIA and the CIG. He was to be succeeded less than six months later by Lieutenant General Hoyt Vandenburg, a capable Air Force strategist but equally lacking in intelligence experience, who in less than a year returned to the Air Force.45

While one authority credits OSS with a wartime budget of $135 million,46 another expert source has written: “From 1942 through 1945, excluding the salaries of members of the armed forces on active duty with the agency, and a substantial part of overseas logistics support, the cost of OSS averaged less than thirty-seven million a year.” 47 While much of the agency’s money was provided in unvouchered funds, there was apparently close accounting of its expenditure.

“Donovan was the first man to whom Congress made a grant of twenty-five million dollars without requiring an accounting,” Dr. Langer notes. “I recall the morning when the General announced this at a staff meeting, and at once turned a cold douche on our elation. This does not mean, he said, that a single dollar is going to be spent irresponsibly, because I know when the war is over this agency will be in a very exposed position unless its record is spotless. For this reason I have asked one of the leading New York accountants to join the OSS, and he will see to it that all expenditures are accounted for to me, even though I am under no such obligation to Congress.” 48

However, the vigilant bookkeeping applied to OSS expenditures does not seem to have extended to the maintenance of its membership list.

No one can even guess the actual size of OSS at its wartime peak. Over thirty thousand names were listed on the agency’s roster; but there were countless Partisan workers in the occupied countries whose identities were never known, who were paid OSS money and armed with OSS weapons and

46 Rowan and Deindorfer, op. cit., p. 619.
47 Ford, op. cit., p. 173.
48 Ibid., p. 173n.
performed OSS missions, yet for the most part were unaware that their direction came from Washington. Each field agent employed several local subagents, and they in turn recruited anonymous friends from the surrounding countryside, sometimes numbering in the thousands. One lone parachutist, Ernst Floege of Chicago, who dropped into the Hericourt district of France, wound up the war in command of an underground force of thirty-five hundred; another French-American agent named Duval organized and personally led an estimated seven thousand resistance fighters in the Lyons area. Altogether, the Maquis in France, the Kachin tribesmen in Burma formed a worldwide shadow army which served under OSS in close support of the Allied military effort, and which faded back into obscurity when the fighting ceased.40

Once he left the directorship of OSS, Donovan also began fading back into obscurity. In the years immediately after the war he devoted much of his time to the cause of European federalism as chairman of the American Committee on United Europe. He was also a strong advocate for wrestling the initiative from the U.S.S.R. in the so-called cold war. After serving as ambassador to Thailand during 1953–1954, he worked, as national chairman of the International Rescue Committee, to assist refugees coming from North Vietnam to South Vietnam and later, in 1956, he organized a campaign to raise a million dollars for Hungarian refugee relief. Never again was he called into service as an intelligence leader. Speculation ran high in 1947, with the creation of the Central Intelligence Agency, that Donovan would be selected to direct the new organization, but the position went to Rear Admiral Roscoe H. Hillenkoetter, the last head of the Central Intelligence Group. And again, in 1953, when President Eisenhower was searching for a new CIA Director to replace the departing Bedell Smith, Donovan's name was prominent among the candidates; but, once again, and for the final time, the call went to someone else—on this occasion to his old friend and OSS colleague, Allen Dulles. Six years later, on February 8, 1959, William J. Donovan died in the nation's capital.

IV. Air Intelligence

The dawning of world war in 1939 found the United States rather unprepared in another area of intelligence operations, a relatively new field, but, nevertheless, a function which Japan and the principal European powers had greatly refined at that time. Air intelligence had been inaugurated in the American armed forces at the outbreak of the Civil War with balloonists or aeronauts serving both with the field armies and with the Signal Corps.40 The loosely organized balloon corps of the Union Forces, disbanded in June 1863, did not exceed seven balloons and nine trained aeronauts during its period of opera-

40 "Ibid., pp. 203–204.
tion. Its mission was observation, a most rudimentary intelligence task.

During the Spanish-American War, the Signal Corps dispatched its only available balloon and two aeronauts to Cuba where they apparently saw two brief, but effective days of service in the attack on San Juan Hill. Although a second balloon unit was organized at Tampa, Florida, to accompany a new expeditionary force to Puerto Rico, the armistice rendered their departure unnecessary.

Almost four years after the Wright brothers successfully demonstrated the ability of a machine-powered heavier-than-air apparatus to carry man aloft, the Chief Signal Officer of the Army, Brigadier General James Allen, established, on August 1, 1907, an Aeronautical Division in his office. Two years and one day later, after a number of trial tests, approval was granted for the purchase of the first Army flying machine from the Wrights.

By the time of the long-delayed recognition of the Wright brothers in 1909, the Army's interest in aviation had been primarily for the purpose of improving reconnaissance. The first heavier-than-air craft, as well as lighter-than-air craft, was evaluated by the military solely in terms of collecting information. It took only a few years of Army experimentation with airplanes to conclude that there was a greater development potential for military reconnaissance in the airplane than in captive or dirigible balloons; therefore, practically all available funds for aeronautics in the Signal Corps, beginning with fiscal year 1912, were devoted to the purchase and maintenance of heavier-than-air craft. This was a bold decision because limited airplane performances by that time had not demonstrated any military value other than that the Army could extend its range of vision. Airplanes were valued for their relatively passive role of spying out the enemy's disposition and not as actively aggressive weapons in themselves. Despite experiments made in shooting machine guns, taking pictures, and dropping explosives from planes, the Signal Corps decided to adopt two types of airplanes and both for reconnaissance missions. The "Scout" was desired for service with ground troops, for carrying two pilots and radio and photographic equipment, and for travelling at least 45 mph for four hours. The "Speed Scout" was designed to carry only one pilot at a minimum speed of 65 miles [sic] for three hours.

52 Ibid., Chapter I, pp. 24-26.
53 Ibid., Chapter I, pp. 26-27.
54 Ibid., Chapter I, p. 28.
In 1913, the House Military Affairs Committee explored the possibility of creating an air unit apart from the Signal Corps, but found little favor for the idea.55

Three years later, Army airmen were afforded their first opportunity to operate under combat conditions when the First Aero Squadron was deployed in support of Brigadier John J. Pershing’s Mexican border campaign. While a number of missions were successfully completed,

the most significant lesson which was brought forcibly to the attention of the Government and the people, especially in the face of the rapid development of aviation during the European war, was the need for increasing and properly equipping an air force to accomplish the missions assigned to it. Consequently, Congress appropriated $500,000 and over $13,000,000 in March and August of 1916 to expand the Aviation Section of the Signal Corps, which had been established in 1914. The total of these sums was thirteen times greater than all the money that hitherto had been appropriated for Army aviation purposes.56

As generous as these appropriations were, they proved insufficient to significantly improve the air corps for immediate participation in hostilities when the United States entered World War I the following year.

The United States entered World War I without a single pursuit or combat type airplane; hardly a single flying officer was adequately familiar with aircraft machine guns, bombing devices, aerial photography, or other aviation instruments well known to the aviators of England. In all respects, the nation was several years behind European aviation development. In fact, the Director of Military Aeronautics reported that in contrast to European developments “the United States at the time of its entry into the war stood very little ahead of where it had been before the world war broke out.” If the United States had a doctrine for aerial employment, it centered on the use of the few aircraft for the support of ground forces as observation and courier vehicles. At the time of America’s declaration of war, the Aviation Section consisted of 65 officers, two flying fields with 224 airplanes, mostly training types “nearly all obsolete in type when compared with the machines then in effective service in France. In addition, there was little combat experience or knowledge of European war lessons upon which to base an adequate statement of aerial mission and a plan for aerial production to implement that mission; for a long period, European nations guarded certain things, especially about airplanes, from American observers. Unfortunately, actual American participation in war was necessary before the concept of aviation as

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56 Cohen, op. cit., Chapter I, p. 31.
a flexible and mobile instrument of war, and not merely as an intelligence collecting agent, could be given a preliminary trial.\textsuperscript{57}

Once the declaration of war had been made, efforts got underway to organize air intelligence activities.

Prior to America's entry into World War I, military aviation was considered nothing more than an information collecting service performed by lighter and heavier-than-air craft for the use of individual ground commanders. Adequate intelligence organizations for the systematic collection, collation, evaluation, and dissemination of information to all commanders concerned did not exist. It was the prevailing concept that troop commanders in combat should use their own available means and resources for securing information about the enemy. Higher commanders would get what they needed by means of their own agencies or by direct request to commanders in contact with the enemy.\textsuperscript{58}

At no time during the war did the Military Intelligence Division in Washington have a sub-section responsible for air intelligence matters.\textsuperscript{59} Such was not the case in France. "Under the general theory of intelligence prevailing among the associated powers, intelligence units in the AEF [American Expeditionary Force] were established in all organizations beginning with the battalion, and each echelon was responsible for intelligence on its own front."\textsuperscript{60}

The task of obtaining, assembling, weighing, and distributing information on all phases of the enemy's aviation—including its organization, materiel, personnel, operations, and the location of its units—was the responsibility of the office of air intelligence, G-2-A-7, the [AEF] Military Information Division's seventh sub-section which had been organized in March 1918 by Lt. Prentiss M. Terry, who was later succeeded by Maj. C. F. Thompson.

As officers in charge of the air intelligence sub-division, they were responsible for furnishing the General Staff on GHQ, the staff of armies and corps, and the Air Service, with intelligence concerning the enemy air arm. The first three months of G-2-A-7's existence were consumed in organizing the work of the office, in collecting intelligence information from French and British Intelligence Offices, and in visiting Air Service Headquarters for the purpose of determining how best it could be served.\textsuperscript{61}

The sub-section ultimately established five units for performing its duties: an interrogation of prisoners section (staffed by one officer), the air order of battle section (responsible for tracking the size, organization, markings, location, duties, equipment, and personnel of

\textsuperscript{57} Ibid., Chapter I, pp. 35-36.
\textsuperscript{58} Ibid., Chapter II, p. 1.
\textsuperscript{59} Ibid., Chapter II, p. 2.
\textsuperscript{60} Ibid., Chapter II, p. 2A.
\textsuperscript{61} Ibid., Chapter II, pp. 3-8A.
enemy air units), a bomb targets section, a technical section (responsible for assembling and disseminating information on the production, performance, and maintenance of enemy aircraft), and an enemy air activity section (responsible for collecting, assembling, and disseminating intelligence on enemy air strategy and tactics, enemy aviation training, and the effects of Allied air operations.)

In view of the limited air operations during World War I, the list of air intelligence functions to be performed by approximately 7 officers and 16 enlisted men in G-2’s Office of Air Intelligence sounded more imposing than they actually were. Before the office could gain much experience in the new branch of military intelligence dealing with air matters, the war ground to a halt. Nevertheless, G-2-A-7 was destined to become a prototype of the air intelligence organization of the next World War.

Liaison between the AEF/MID air intelligence subsection and units of the air service was conducted by Branch Intelligence Officers who were under the supervision of G-2-A-7 and had staffs consisting of a clerk, two draftsmen, and an orderly. Sent to air groups and squadrons by the Office of Air Intelligence, the Branch Intelligence Officers did not merely confine themselves to obtaining intelligence information about the enemy air arm, they, in fact, acted as the intelligence officers of the air unit to which they were assigned.

But the control over intelligence operations in air units by BIO’s, who were detached officers from the Military Intelligence Division of the GHQ, AEF, was objectionable to the Air Service and its predecessor organization which had been headed by Lt. Colonel William Mitchell, Aeronautical Officer, AEF. The work of air intelligence was believed to belong properly to the Air Service, and that such intelligence would be made available to G-2 at Headquarters AEF through channels and liaison activities. The thesis of the supporters of this idea was that air intelligence officers required a technical knowledge of aviation for the proper performance of their duty; if possible, intelligence officers should be qualified aerial observers so that they could better appreciate the problems of observation and be better able to interrogate observers returning from intelligence gathering missions. It was impossible, they said to get good results from a system which gave prominent place to intelligence officers detailed to the Air Service as representatives of G-2, but not responsible to the Air Service. If squadron intelligence officers were integral parts of the air squadrons, they could be selected from among candidates for pilots and observers and they could be partially trained during the squadron’s organization and training period. During that time, the air intelligence officer would be able to build up comradeship and a sense of responsibility which could not be expected from a General Staff representa-

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62 Ibid., Chapter II, pp. 3B-3F, 29-32.
63 Ibid., Chapter II, p. 3G.
64 Ibid., Chapter II, p. 5A.
tive who did not join a unit until it was at the front. Inasmuch as corps and army aviation commanders were responsible for the actual collection of air intelligence by means of visual and photographic reconnaissance, they should be better able to exercise closer supervision over the collection and dissemination of air intelligence by lower units than any Branch Intelligence Officer. Moreover, adherents to the doctrine of air force control over air intelligence believed that such control would make the Air Service more independent and freer in its effort to be progressive and efficient.65

Because of this sentiment, the flying corps sought some vehicle to serve its needs regarding intelligence production and placed its trust for this function in the Information Section.

The Information Section of the Air Service could be considered a quasi-air intelligence organization which duplicated G–2–A–7 operations for the avowed purpose of disseminating air intelligence and information more quickly and widely throughout the Air Service. ISAS had its origin in General Order 21, Headquarters AEF, 13 August 1917, which directed departments and corps, including the Air Service, to designate an officer specifically charged with the collection and dissemination of military information relating to his organization. Early in September an Information Department was inaugurated in the Air Service. It was charged with the “collection, preparation, and distribution of all information of special interest to the Air Service; liaison with the Intelligence Section, General Staff, A.E.F; and the organization and supervision of air information officers attached to Air Service units.” Little information of the personnel and records of that Department are available; evidently it passed through different commands until February 1918, at which time its duties were absorbed by the Intelligence Division of the Training Section, Air Service, A.E.F.66

The Training Section’s intelligence unit had been inaugurated in Paris in December, 1917. A month later efforts were being made by the section chief, Captain Ernest L. Jones, to expand his unit from training responsibilities to central intelligence operations for the entire Air Service. On March 28, 1918, the Intelligence Division was given its mandate to serve the intelligence needs of the entire air corps and was renamed Information Section, Air Service. “By the end of the war, the ISAS had grown into six subdivisions: Statistics, Library, General Information, Editorial and Research, Production, and History; its personnel had increased from an original staff of two officers and one enlisted man to 10 officers, 30 enlisted men, and three civilians.”67

The trials and tribulations of the ISAS in finding its place in a new service under wartime conditions were essentially repeated by its comparable organization in America. The genesis

65 Ibid., Chapter II, pp. 8–9.
66 Ibid., Chapter II, pp. 13–13A.
67 Ibid., Chapter II, pp. 13A–15A.
of the first air intelligence office in the Army Air arm appears to be early in March 1917 when Lt. Col. John B. Bennet, officer in charge of the Aeronautical Division of the Signal Corps, recommended on the basis of a General Staff memorandum that his division be expanded in functions and personnel; his plans included the establishment of an air intelligence unit. The reorganization of the Aeronautical Division, approved on 16 March by Gen. George O. Squier, Chief Signal Officer, provided for an air intelligence office under the Personnel Sub-division which was redesignated Correspondence Subdivision shortly after the United States declared war. The functions of the small intelligence office, headed by Capt. Edgar S. Gorrell, were to collect, codify, and disseminate aeronautical information. 68

A few months later, in June, the unit was renamed the Airplane Division and a reorganization placed the intelligence section on a par with the other three major sub-divisions for Training, Equipment, and Organization. Placed in charge of the new intelligence unit was Major Henry H. ("Hap") Arnold, destined to become World War II Chief of Staff for Air, assisted by Ernest L. Jones, long time owner, editor, and publisher of Aeronautics magazine.

The duties of the Intelligence Section at this time consisted largely of collecting and filling military aeronautical data of every nature and from all sources, and making digests of pertinent information for interested officials. Intelligence material from military attaches and other representatives abroad had been flowing into the OCSO since the early days of aeronautics in the Signal Corps, but after the United States entered the war, the British, French, and Italian governments released information of greater value and volume. The pressures of war caused further expansion and changes in the Airplane Division. On 1 October the Air Division succeeded the Airplane Division; Brig. Gen. Benjamin D. Foulois continued as Chief, with colonel Arnold as Executive in charge of the 15 sections constituting the entire Air Division of the Signal Corps. The Intelligence Section was redesignated the Information Section and Capt. Harold C. Candee succeeded Lieutenant Jones as officer in charge. The latter was soon promoted to captain and order overseas to continue similar work in the AEF [Training Section, Intelligence Division].

Although further organizational alterations occurred, there was little variation in the Information Section’s functions until President Wilson, by an Executive order of May 20, 1918, designated the Division of Military Aeronautics, which had been created within the Signal Corps during the previous month.

an independent agency with the duty of performing every aviation function heretofore discharged by the Signal Corps.

68 Ibid., Chapter II, p. 23.
69 Ibid., Chapter II, pp. 24-24A.
except those pertaining to the production of aircraft and aircraft equipment. The newly established and independent Bureau of Aircraft Production (BAP), created on 24 April 1918, was given complete control over the production of airplanes, airplane engines, and aircraft equipment for the use of the Army. In August, Mr. John D. Ryan, then 2nd Assistant Secretary of War, was appointed Director of Air Service in charge of both the BAP and DMA. As a result of these reorganizations, the Information Section on 21 May became the Intelligence Branch of the Executive Section of the DMA. About two months later it was redesignated the Aeronautical Information Branch, which, by the end of August had been organized into seven sub-branches: Procurement, Confidential Information, Publicity and Censorial, Statistics, Clerical Detail, Auxiliary, and Headquarters Bulletin.

Throughout the war, the functions of the air intelligence or information sections in the Signal Corps, and their successor, the Aeronautical Information Branch of the DMA, primarily consisted of the collection and dissemination of information pertaining to domestic and foreign aviation activities, including those of the enemy; the maintenance of a library and complete files, properly cross-indexed, of all information and statistics on hand; the continuance of a liaison system with the AEF, foreign governments, and other U.S. government departments; and the censoring of articles and photographs for publication submitted through the Committee on Public Information. The American information unit exchanged bulletins and other material with its counterpart in the AEF, the Information Section of the Air Service. The general information and technical bulletins published on both sides of the ocean pertained to every phase of aviation. Indeed, the Washington air information office, like its analogous section overseas, was a quasi-intelligence organization concerned in part with knowledge about the enemy.\(^7\)

One other wartime structure is of interest at this juncture, the Research Information Committee.

The RIC, with branch committees in Paris and London, had been organized in the early part of 1918 by the joint action of the Secretaries of War and Navy, and with the approval of the Council of National Defense. In cooperation with the offices of military and naval intelligence, the RIC was to secure, classify, and disseminate scientific, technical, and industrial research information, especially relating to war problems, between the United States and its allies. By this plan, the Government endeavored to establish a central clearing exchange information service by means of which the Army General Staff, the various bureaus of the Army and Navy, the committees of the Council of National Defense, and the scientific organizations in the United States working on

\(^7\) *Ibid.*, Chapter II, pp. 26–27.
war production and inventions, could be kept posted on technical and scientific developments at home and abroad. The RIC in Washington consisted of a civilian member representing the National Research Council, a technical assistant, the Chief of the Military Intelligence Section (MIS), and the Director of Naval Intelligence. As a result of its membership on the RIC, the Military Intelligence Section was made responsible for securing and disseminating scientific and technical research information for all branches of the Army. The MIS was assisted in its duties by the liaison representatives to the RIC from the DMA, BAP, and other military bureaus. In certain instances when information could only be obtained by sending experts to Europe, the individuals so designated were supposed to clear through the RIC, which would check to see if the information was available in this country or if the research was necessary. Those cleared for travel were instructed to contact the RIC's Paris or London committee through which any information collected would be dispatched to the RIC in Washington; this was to be done even though different communication channels were employed at the same time by those sent abroad. The overseas committees each consisted of the military, naval, and scientific attaches and a technical assistant. In addition to serving as the clearing house for information flowing from both sides of the Atlantic, those committees were designated to serve the commander-in-chief of the military and naval forces in Europe, and to cooperate and render assistance to the offices of the military and naval attaches in the collection, analysis, and dissemination of scientific and industrial research information.

With the end of World War I came the exhaustive task of reorganizing the Air Service for peacetime operations. In January, 1919, the Director of the Air Service was made more directly responsible for the supervision and direction of the Division of Military Aeronautics and the Bureau of Aircraft Production. By mid-March, it was decided that the Air Service would adopt the structure of its AEF operation in France, thereby causing it to gain direct control over both DMA and BAP.

The Information Group in the ODAS was designated to receive its intelligence information primarily through the Military Intelligence Division of the WDGS [War Department General Staff] and from foreign missions. Information on military and commercial aeronautics in the United States came from information officers at military posts and from liaison officers with other governmental and civilian air activities. A Special Division was added to the Information Group toward the latter part of 1919 for the purpose of collecting and disseminating meteorological information and for handling such special activities as publicity, and correspondence.

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72 Ibid., Chapter II, pp. 33-35.
73 Ibid., Chapter IV, pp. 1-2.
relative to congressmen and municipal landing fields for airplanes.73

The Army Reorganization Act of 1920 (41 Stat. 759) had little impact upon the intelligence structure of the military organization: the Air Service became a coordinate combat branch of the line and the Division of Military Aeronautics was formally abolished. “The Director of Air Service was henceforth known as the Chief of Air Service (CAS), similar to the title of ‘Chief’ held by the other heads of the combatant arms of the Army.” 74

On May 29, 1919, the Research Information Committee, renamed the Research Information Service, was reorganized for peacetime operations under the National Research Council.

It was not until shortly after Maj. Gen. Mason M. Patrick succeeded General [C. T.] Menoher as CAS on 5 October 1921 that another reorganization of the Air Service was adopted. The new structure was patterned after General Pershing's 1921 reorganization of the War Department General Staff (WDGS) into the following five divisions: Personnel (G-1), Military Intelligence (G-2), Operations and Training (G-3), Supply (G-4), and War Plans; it was natural that the WDGS be organized along the lines of Pershing's AEF. General Patrick's reorganization of 1 December 1921 abolished the groups and created the Personnel, Information, Training and War Plans, Supply, and Engineering Divisions. It was not surprising that General Patrick, who had been Pershing's Chief of Air Service, AEF, should follow the organizational model of his war and peace time commander.

The new Information Division was assigned a more practical mission than its predecessor, the Information Group. Instead of trying to collect “every kind of information” on aeronautics, the primary function of the Information Division was the collection of “essential aeronautical information from all possible sources.” Greater concern was shown for the collection of information of an intelligence nature by the requirement that one of the three general classes of information should be concerned with “the uses of aircraft in war, including the organization of the Air Forces of the world, tactical doctrines, types of aircraft used, organization of the personnel operating and maintaining aircraft.” The other two classes of information dealt with technical matters and information relative to other phases of military aviation. Because of reduced military appropriations and the lack of personnel, Collection and Dissemination Divisions were abolished during the reorganization and their duties were assumed by the Library and Reproduction Sections, respectively.75

In 1925, the Information Division created a military intelligence section which worked in liaison with the Collection Section of the

73 Ibid., Chapter IV, p. 6.
74 Ibid., Chapter IV, p. 7.
75 Ibid., Chapter IV, pp. 8-9.
Military Intelligence Division of the General Staff. This MID unit (M.I. 5) administered the military attaché system, maintained official contact with State, Commerce and other Executive Departments involved with foreign matters, and functioned as adviser to the Foreign Liaison Officer on questions concerning the distribution of aeronautical information to foreign countries. However, very little could be accomplished by the understaffed unit.76

With the passage of the Air Corps Act (40 Stat. 780) on July 2, 1926, "the Information Division remained on the coordinating staff level of the newly designated Office of the Chief of the Air Corps (OCAC) as the counterpart to the Military Intelligence Division of the WDGS." 77

In placing the Air Corps Act into effect, the organizational changes made in December 1926, among other things, divided the Information Division of the OCAC into four sections and re-named them to indicate their major functions: The Air Intelligence Section became the successor to the MID Section and inherited the responsibility for maintaining liaison with the MID of the War Department General Staff; the new section was also charged with the procurement, evaluation and dissemination of foreign and domestic aeronautical information, and with the maintenance and supervision of the Air Corps Library. The Photographic Section was made responsible for collecting, filing, and distributing all photographs taken by the Air Corps; a voluminous file of negatives of scientific, historical, and news value was maintained. The Publications Section received the duties of printing, reproducing, and distributing all publications and documents such as Information Circulars, Airport Bulletins, Air Navigation maps, etc. The Press Relations Section, replacing the Special Section, was charged with the preparation and release of all news items, and with Air Corps publicity matters.78

These efforts at reorganization, however, did not necessarily result in a better air intelligence capability.

Functionally . . . the Information Division, in the early part of the thirties, had reached a new low. The Plans Division, OCAC, took over part of the Information Division's functions of collecting, evaluating, and disseminating intelligence information because of the latter's failure to send out copies of important reports to the Tactical School and to various Air Corps instructors and individuals. When Lt. Col. Walter R. Weaver became Chief of the Information Division in June of 1933, his first moves were to protest vigorously against this usurpation of functions and to strengthen his organization. His actions were backed by the Chief of the Air Corps who then confirmed the Information Division's responsibilities for (1) the collection and dissemination of air intelligence information concerning foreign countries; (2) the

76 Ibid., Chapter IV, pp. 9–10.
77 Ibid., Chapter IV, p. 10A.
78 Ibid., Chapter IV, pp. 10B–11.
compilation and distribution of information on military aviation; and (3) the coordination of matters of interest between the Air Corps, and the State Department and the Military Intelligence Division of the WDGS.

Under Colonel Weaver's guidance, the Information Division increased its effectiveness, and by mid 1934 it had added a number of additional duties, including the collection of comparative data on plane and personnel strength, air budgets, and general organization of the air arms of England, France, Italy, Japan, and the United States. This function was assumed by the Intelligence Section, which for many years was staffed by one officer and from two to five civilian employees. Nevertheless, the Section during fiscal year 1935 not only made comparative studies of national air forces, but it also was able to initiate a digest of foreign aviation information. The evaluation and distribution of such air intelligence, the Chief of the Air Corps said later "has been of vital importance and interest. Owing to the increased aviation activities abroad the volume of this particular type of work within the Intelligence Section has materially increased." 77

Recalling his thoughts on the eve of war in Europe, General "Hap" Arnold, appointed Chief of Air Corps on September 29, 1938, wrote:

Looking back on it, I think one of the most wasteful weaknesses in our whole setup was our lack of a proper Air Intelligence Organization. It is silly, in the light of what we came to know, that I should still have been so impressed by the information given me in Alaska by that casual German who called my hotel and told me about their "new bomber." I know now there were American journalists and ordinary travelers in Germany who knew more about the Luftwaffe's preparations than I, [then] the Assistant Chief of the United States Army Corps.

From Spain, where our Army observers watched the actual air fighting, reports were not only weak but unimaginative. Nobody gave us much useful information about Hitler's air force until Lindbergh came home in 1939. Our target intelligence, the ultimate determinate, the compass on which all the priorities of our strategic bombardment campaign against Germany would depend, was set up only after we were actually at war. Part of this was our own fault; part was due to the lack of cooperation from the War Department General Staff's G-2; part to a change in the original conception of the B-17 as a defensive weapon to a conception of it as a weapon of offense against enemy industries. 80

And what had Arnold learned from the Lone Eagle which neither military nor air intelligence could supply?

Lindbergh gave me the most accurate picture of the Luftwaffe, its equipment, leaders, apparent plans, training meth-

77 Ibid., Chapter IV, pp. 12-12B.
ods, and present defects that I had so far received. Chief of the German Air Force's shortcomings at that time seemed to be its lack of sufficient trained personnel to man the equipment already on hand, a fact which might make unlikely powerful sustained operations through 1940.

Goering's neglect of strategic bombardment and logistics was not yet apparent. On the contrary, German industrial preparations were enormous, and bombers with a range for strategic attacks almost anywhere in Europe made up a large part of his force, though these same DO-17's and HE-111's could also be employed for direct support of ground troops. Lindbergh felt that Hitler held the destruction of any major city on the continent, or in Britain, in his hands.81

Arnold had been made aware of the deficiencies of air intelligence operations from other quarters, including the chief of his Plans Section, Lt. Col. Carl Spaatz. As war plans were developed by the War Department and the strategic employment of air power applied, accurate air intelligence became essential for the execution of those plans. But, as Spaatz informed Arnold in August of 1939, such intelligence data was "not being maintained ready for issue in the Office of the Air Corps, or elsewhere." 82

As a result of Spaatz's counsel, an Air Corps Board was convened a week before Hitler's attack on Poland to determine the nature, scope, and form of intelligence required for aerial operations; also, the Board was to make recommendations as to the methods and procedures for obtaining and processing that intelligence. After meeting daily for several days, the Board, composed of intelligence representatives from the OCAC, ACTS, and GHQ AF, made what was doubtless the most comprehensive analysis for air intelligence requirements to that time.

The intelligence needed by the Air Corps, the Board stated, fell into three categories: (a) that required by the C/AC for strategic planning in connection with the preparation or revision of Joint Basic War Plans and the employment of air power in any theater, (b) that required for technical planning to insure American leadership both in the production of planes and equipment and in the development of adequate tactics and techniques for aerial operations, (c) that required for tactical planning and execution of plans.

The Board recognized G-2's responsibility for collecting and processing all intelligence information. Except for the processing required for War Department estimates, however, the Board believed the Air Corps to be better qualified to handle intelligence information on certain phases of foreign aviation. Accordingly, the Board recommended that the Air Corps should continue its current task of preparing air technical intelligence and should assume the responsibility for

82 Cohen, op. cit., Chapter VII, p. 7.
processing information pertaining to tactical operations and to the use of aircraft in antiaircraft defense. For strategic intelligence required by the Air Corps, G-2 was considered to be in a better position not only to prepare economic, political, and combat estimates, but also to determine the vulnerability of potential air objectives and systems of objectives, together with an estimate of the probable effect of the destruction thereof.

The Board also suggested that General Arnold, as Chief of the Air Corps and principal adviser on air matters to the Chief of Staff, WDGS, be allowed to establish in his office an air intelligence agency considerably larger than the existing Information Division's Intelligence Section. . . .

Never submitted for or otherwise given War Department approval, this report marked the beginning of a controversy, continuing into the time of United States entry into the war, between the Military Intelligence Division, War Department, and the Air Corps' Intelligence organization over air intelligence activities and responsibilities. When the Information Division, OCAC, started collecting intelligence information outside of G-2 channels, the MID directed that this activity cease and that requests for such data be routed through the Military Intelligence Division. This action occurred in the autumn of 1939; relenting somewhat in May of the following year, G-2 permitted the Air Corps' Information Division to make direct contacts for intelligence information with all Federal agencies except the Navy and State Department.

The War Department's G-2 had been cognizant for some time of the incompetency of the personnel in his Intelligence Branch to maintain digests of aviation information. Moreover, as the Branch was organized on a geographic basis with each geographic section being responsible for all phases of intelligence for the countries assigned, it became obvious that a separate unit was needed to evaluate and interpret the voluminous amount of air intelligence being received. Shortly after Hitler's attack on Poland, a separate Air Section was established in the Intelligence Branch of the MID for the purposes of coordinating all air intelligence activities, of maintaining a current summary of air operations, and of supervising the preparation of air intelligence.

The Air Section, apparently, was not formally established until March, 1940 when Maj. Ennis C. Whitehead, who was Chief of the Southern European Section of the Intelligence Branch and the only Air Corps officer on duty with G-2, was named Chief of the new Air Section. For the first four months he was assisted only by Lt. Marvin L. Harding; in July, Mrs. Irma G. Robinson was transferred to the Air Section from the Air Corps' intelligence office. When Whitehead, who had been promoted to Lieutenant Colonel, was replaced by Lt. Col. Jack C. Hodgson in the late summer of 1941, the total person-

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83 Ibid., Chapter VII, pp. 8-9.
nel in the Air Section consisted of five officers, three analysts, and four clerk-stenographers. Attempts were made to enlarge the Section by acquiring more airmen, but the AAF itself had an urgent need for personnel to fill its numerous vacancies and made a counteroffer for the removal of G-2's Air Section to the Intelligence Division of OCAC where it would operate on behalf of G-2. Of course, the offer was declined and the extension of air intelligence activities in the MID was retarded. Until Pearl Harbor Day, the Air Section could only process the air files for the British Empire, Germany and satellites, France and Italy; eventually, as personnel became available, full responsibility was assumed for the G-2's air files of all countries.

Not only were air intelligence activities hampered by jurisdictional disputes but the security procedures of MID also impeded operations in this sphere.

In an early effort to clarify one phase of the jurisdictional problem relating to [intelligence] dissemination, the War Department on 15 November 1939 formally stated the functions of the MID and the arms and services. Unless documents were marked "No Objection to Publication in Service Journals" reproduction and redistribution of G-2 reports by arms and services required the consent of the Assistant Chief of Staff, G-2. Each document permitted to be reproduced also had to contain a statement of sources and its classification could not be lower than the original document.

For the Air Corps, such a policy meant that G-2 information could be circulated, but not reproduced even for dissemination to the limited number of Air Corps Headquarters Agencies. Hence, intelligence was sometimes stale by the time it was circulated to an interested user. Security, not economy, was the basis for limiting distribution. The MID, highly security conscious because of the character of its work, was especially desirous that the intelligence currently being supplied be carefully safeguarded.

But the necessity for securing G-2's approval before reproducing and distributing each intelligence report emanating from his office hampered the Air Corp's efforts to keep pace with aviation developments arising from the experiences in the European war. Consequently, General Arnold secured blanket authority on 1 March 1940 to reproduce and disseminate one or two copies of G-2 materials to major operating Air Corps agencies, but they were prohibited from making additional copies. G-2 thought the exception granted Arnold was justified so long as Europe was at war and while the Air Corps was engaged in an expansion program. Shortly thereafter, reproduction restrictions were further modified by G-2's permission to the OCAC to make as many as five copies of any confidential or restricted MID document.

86 Ibid., Chapter VII, pp. 17-18.
Still the intelligence dissemination problems continued in spite of G-2's reluctant grants of approval for increased copy distribution within the Air Corps. In an effort to further ameliorate intelligence dissemination difficulties, a conference of OCAC intelligence representatives and MID personnel was held in the spring of 1941. Among the various views expressed at this meeting,

Brig. Gen. Sherman Miles, Acting AC/S, G-2, was especially fearful that if the C/AC were to determine what MID intelligence should be disseminated to his units then it would be possible for the Air Corps to authorize the reproduction of verbatim secret reports from military attaches or Executive departments of the Government, from strategic studies required in war planning, and from papers prepared in compliance with specific requests of the War Department and other government agencies.

Although the air arm would have been limited in its reproduction and redistribution by regulations on safeguarding military information, protecting the source of information, and limiting distribution to those with a need-to-know, General Miles refused to permit any exceptions to existing rules. Moreover, he advised "intelligence agencies under control of the Chief of the Army Air Forces [to] confine their dissemination of information to the Air Forces generally to tactical and technical matters directly affecting the Air Forces, and that no dissemination be made by those agencies, without the consent of this Division, of any secret or confidential information regarding the present disposition, strength or effectiveness of foreign forces, ground or air."

Such a restriction, along with the others requiring approval of G-2 prior to reproducing and disseminating intelligence, hampered air intelligence operations not only at the AAF Headquarters level but also down to and including the commands. A-2 [Air Force intelligence] obviously knew the intelligence needs of air units better than an outside agency and he continued his efforts to secure exemptions from the irksome prohibition placed upon him by the WDGS. But freedom for the AAF to reproduce and redistribute G-2 material did not come until Independence Day in 1942 when the Chief of the Military Intelligence Service, MID, authorized the commanding generals of the AAF and the air commands to reproduce and distribute to lower echelons any and all classified military information received from G-2 unless the document contained a specific prohibition against reproduction. Formal War Department approval of G-2's action came the following month.

Still the major jurisdictional question, the rivalry for control over air intelligence between G-2 and A-2, persisted. Seeing no other course of action open to him on the matter, Arnold, with AAF intelligence needs continuing to mount, placed the issue before the Chief of Staff, General George C. Marshall, and asked for a command decision on his

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67 Ibid., Chapter VII, pp. 23-25.
recommendation for the removal of all restrictions thought to limit
the reliability and efficiency of air intelligence operations.88

On September 10, 1941, Arnold had his decision: the War Depart-
ment supported G-2's position for continuing the unity of strategic
intelligence responsibilities, saying:

The responsibility imposed on the Military Intelligence Divi-
sion, W.D.G.S., by par. 9, AR 10-15, for the collection, eval-
uation and dissemination of military information includes
that which pertains to the Army Air Forces as well as to
other Arms. In carrying out this responsibility, the Military
Intelligence Division is charged with the compilation of all
information for the purposes of formulation of comprehensive
military studies and estimates; it will prepare those
studies and estimates. Intelligence agencies of the Chief of
the Army Air Forces will be maintained for the purpose of
the compilation and evaluation of technical and tactical in-
formation, received from the Military Intelligence Division
and other sources, plus the collection of technical air infor-
mation (from sources abroad through cooperation with the
M.I.D.), all or any of which is required by the Air Forces
for their development and for such operations as they may
be directed to perform.89

In fact, however, the decision was not as devastating to Air Force
intelligence objectives as might be presumed.

As General Arnold stated: "we are getting what we want and that
we will simply try out the whole scheme." This cryptic remark meant
that a quiet and amicable settlement between G-2 and A-2 had been
reached. As recorded in the minutes of an Air Staff meeting on 11
September 1941:

... General Scanlon stated that G-2 had agreed to practi-
cally everything we had asked for. Much of it will not be
written but is understood. Permits us to obtain information
ourselves but first, we must check through G-2 to determine
if they have the information desired. If not, then our person-
nel can be assigned to obtain it. Personnel, so assigned, will
work through G-2's organizations. In regard to studies G-2
has been working on reports received from their sources,
arrangements have been made that G-2 will furnish us the
complete report and we will make our own study. We are au-
thorized to contact direct, foreign military attaches on duty
in this country and other government departments.90

During this particular period of conflict with G-2 over air intelli-
gence jurisdiction, the Air Corps, of course, continued to undergo
expansion, administrative adjustment, and reorganization. During
the autumn of 1940 General Arnold began making some changes, in-
cluding the re-designation of the Information Division as the Intelli-
gence Division, effective December 1, 1940. New components added to
the unit included a Domestic Intelligence (counter-intelligence) Sec-

88 See Ibid., Chapter VII, pp. 39-41.
89 Ibid., Chapter VII, p. 48.
90 Ibid., Chapter VII, p. 52.
tion and an Evaluation Section; continued were the Administrative, Foreign Intelligence, Press Relations, and Maps Sections. The Library and Photographic Sections were transferred to a Miscellaneous Division.\textsuperscript{91}

Prior to the creation of a Counter Intelligence [or Domestic Intelligence] Section, the functions assigned to it, including the collection and dissemination of information concerning espionage, sabotage, subversion, disloyalty, and disaffection, had been performed by the Information Division's Intelligence Section. By January 1940, a separate Counter Intelligence Branch had been established, but for many months no officer was available to head it and the work was supervised by the Chief of Intelligence Section, Maj. J. G. Taylor. By the time of the Air Corps reorganization in December the volume of counter intelligence operations had mounted to [a] point warranting the establishment of a Domestic Intelligence Section, with a force of two officers and three enlisted men, as one of the principal components of the Intelligence Division.

The establishment of an Evaluation Section grew out of the suggestion made to General Arnold on 23 October 1940 by Col. George E. Stratemeyer, Acting Chief, Plans Division, OCAC. Noting the vast amount on [sic] intelligence material flowing into the OCAC and then being reproduced and distributed without being digested, Colonel Stratemeyer recommended the creation of an evaluation unit in the Information Division, not only to summarize and analyze the material for busy commanders and staff personnel but to dig out lessons indicating necessary policy changes and new projects requiring attention. The then current system for evaluating information and securing the necessary action was in the hands of the Air Corps Board at Maxwell Field, Alabama. Within personnel limitations, the Board had been evaluating and studying wartime lessons in order to prepare and revise air tactical doctrine, and to provide educational and training material for combat personnel. With the establishment of an Evaluation Section, the Board was to continue its past functions, but in its evaluation of war information it was to report any foreign development and trends which might become apparent. It was the Evaluation Section, however, which was given the primary responsibility for detecting foreign developments, and trends and for summarizing all pertinent foreign intelligence appearing in periodic air bulletins.\textsuperscript{92}

Because of the hostilities in Europe, the Foreign Intelligence Section was the largest and fastest growing unit within the Intelligence Division. It consisted of a Current Intelligence Branch, a Foreign Liaison Branch, and an Operations Planning Branch. While the first of these components was responsible for processing information pertaining to current military developments, "very little actual collec-

\textsuperscript{91} Ibid., Chapter VIII, pp. 1-2.
\textsuperscript{92} Ibid., Chapter VIII, pp. 3-5.
tion, other than from such open sources as the *New York Times*, was involved because the Military Intelligence Division was supposed to do all the collecting and then to forward to the OCAC whatever concerned air intelligence."  

The Operations Planning Branch of the Foreign Intelligence Section, created as the result of an Executive directive issued in December 1939, had developed into a significant element of the Air Corps, which was emphasizing strategic offensive operations against enemy airpower and enemy national structures. The Branch had been initially designated the Air Force Intelligence Branch of the Information Division's Intelligence Section and it brought to that Section some specific duties and planning functions never before assigned to the Air Corps. In general, operations planning intelligence fell into two categories: first, to provide the C/AC with air intelligence upon which he could base air estimates for various war plans; secondly, to compile air intelligence upon which to conduct initial air operations under each established war plan. Specifically, the duties included such functions as analyzing foreign national structures to determine their vulnerability to air attack; preparing objective folders of specific targets in connection with war plans; maintaining current data on the strength, organization, and equipment of foreign air forces, including detailed technical data on performance and construction of foreign airplanes; keeping a complete file of airports and flying facilities throughout the world; and preparing air route guides for the movement of air units to potential theaters of operation. At the time of the OCAC's reorganization in December of 1940, the Operations Planning Branch was manned by five officers and ten civilians under Capt. H. S. Hansell.

In April, 1941, as a consequence of a formal study conducted by the Plans Division of the operations and functions of the Office of the Chief of the Air Corps, a Special Assignment Unit was established in the Public Relations Section of the Intelligence Division and the name of the Foreign Liaison Branch became the Air Corps Liaison Unit.

Further changes were evident in the air arm in August, with three sections within the Intelligence Division being renamed: the Domestic Intelligence Section again became the Counter Intelligence unit, the Foreign Intelligence Section was retitled the Air Intelligence Section, and a Foreign Liaison Section was created from the renamed Air Corps' Liaison Unit previously located within the old Foreign Intelligence Section. By the summer of 1941, the Intelligence Division consisted of 54 officers and 127 civilians (see Table I regarding distribution).
TABLE I.—ARMY AIR FORCES INTELLIGENCE DIVISION PERSONNEL, AUGUST 1941

<table>
<thead>
<tr>
<th>Section</th>
<th>Officers</th>
<th>Civilians</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On duty</td>
<td>Vacant</td>
<td>Total</td>
</tr>
<tr>
<td>Division chief</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Executive</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Air intelligence</td>
<td>24</td>
<td>59</td>
<td>83</td>
</tr>
<tr>
<td>Foreign liaison</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Counter intelligence</td>
<td>7</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>Public relations</td>
<td>11</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Maps</td>
<td>6</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>87</td>
<td>141</td>
</tr>
</tbody>
</table>


If air intelligence personnel were able to hurdle the stumbling blocks imposed by mounting organizational charts and changes, and time consuming preparations of budget requests and justifications for money and personnel, they were confronted with jurisdictional obstacles. The delineation of intelligence responsibilities between the air arm and the MID was a continuing one, and when the Army Air Force (AAF) was created on June 20, 1941 the problem of clarifying responsibilities of the air arm became an internal one as well as an external one.

The AAF had been created to substitute unity for coordination of command thus making it superior to both the Air Corps, which was the service element headed by Maj. Gen. George H. Brett, and the Air Force Combat Command (AFCC)—formerly the GHQ Air Force—which was the combat element headed by Lt. Gen. Delos C. Emmons. General Arnold had the responsibility for establishing policies and plans for all Army aviation activities, and the Chief of Staff, WDGS, was the person to whom he was accountable. Arnold also retained his position as Deputy Chief of Staff for Air, and thus in his two positions he was able to pass on air matters brought up by the members of the WDGS, as well as the commanding generals of the AAF’s main components.

To assist the Chief of the AAF in the formulation of policies, an Air Staff was established by using as its core the OCAC’s Plans Division, which had been organized into sections corresponding to the divisions of the WDGS. The air sections were renamed A-1, A-2, A-3, A-4, and AWPD (Air War Plans Division). Thus, by lifting the Plans Division out of the Air Corps, the Chief of the AAF had a ready-made air staff. All papers, studies, memoranda, etc., pertaining to purely air matters, which hitherto had been processed by the WDGS, were to be prepared for final War Department action by the Chief of the AAF. The exceptions were those papers pertaining to the Military Intelligence and War Plans Divisions of the WDGS.

The Air Staff was to assume the air planning functions formerly performed by the WDGS. Its operating functions were confined to the preparation of policies and instructions...
essential to directing and coordinating the activities of the two major AAF elements. Thus, in theory, the Air Staff was the policy agency, with the Air Corps and the Combat Command performing operating functions.  

However, because the relationships between the AAF and the War Department were not clearly defined, old difficulties between the air arm and the general Staff continued in many instances. In addition, friction developed between the AAF Headquarters and the Office of the Chief of the Air Corps, which had been the principal administrative unit of the air arm. Between June of 1941 and March of 1942, various activities were withdrawn from OCAC and relocated with the Air Staff but with a view to maintaining separate operating and policymaking entities.

The strained relationship between the air staffs of the AAF and the OCAC could not endure for long. The crisis created by the Pearl Harbor attack, together with the subsequent prohibition imposed by the OCAC against informal communication between its divisions and the Air Staff, undoubtedly accelerated the transfer of operating activities out of the OCAC. Not until the elimination of that office by the War Department reorganization of March 1942 was air intelligence planning and operating completely consolidated into one office, that of the Assistant Chief of Air Staff, A-2.

Until the collapse of France in June, 1940, air intelligence liaison with Great Britain was cautious, formal, and conducted with the customary restrictions on the release of classified information. As German armies overran Denmark, Norway, Belgium, and the Netherlands, traditional military and naval attaché contacts were the conduits for the exchange of intelligence information between the United States and embattled England. Then came the fall of the Fifth French Republic.

All that seemed to stand between Hitler and American security was Great Britain. This alarming condition erased all pretenses at observing neutrality. The new American policy became assistance to the democracies by “All Methods Short of War.” Obviously realizing that “Knowledge is Power,” especially in warfare, President Roosevelt approved in July a British proposal for the interchange of scientific data. In a swift follow-up, the British dispatched to Washington a commission of technical experts headed by Sir Henry Tizard, Scientific Adviser to the Ministry of Aircraft Production. The mission was authorized to exchange secret data on such things as radar, fire control, turrets, rockets, explosives, communications, etc., which items obviously interested the American military services.

Initially, the British, as they expected, gave more scientific information than they received, but the general result of the conversations of the Tizard Mission with representa-

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88 Ibid., Chapter VIII, pp. 27-29.
89 Ibid., Chapter VIII, p. 33.
90 Ibid., Chapter VIII, p. 35.
tives of the American armed services and the newly created American National Defense Research Committee (NDRC) was "a great stimulus to research on new weapons on both sides of the Atlantic." 101

By January, 1941, after some British hesitation on the idea, an NDRC office was opened in London and, during that month, the United States gave the British the means for deciphering the Japanese code.102

The policy of close collaboration afforded a broad base for the exchange of general military information as well as scientific. Early in August 1940, about the time Hitler began his air blitzkrieg on the Island Kingdom, the British and American Governments had agreed secretly for a full exchange of military information. The MID, as coordinating agency for such an exchange desired all requests for military information from abroad to be specifically worded and routed through G–2 channels. But G–2’s radio and mail requests to England did not always secure the information desired, especially on technical matters. It was found extremely difficult to phrase specific questions, even for technical personnel, when there was very little data upon which to base precise queries. Sending officers to England was considered by G–2 and the Chief of the Air Corps’ Intelligence Division as the best means for gaining information which was not readily available through attaché channels or not at the disposal of the Tizard Mission or other British delegations sent to the United States.103

Thus, a bevy of Air Corps officers were dispatched to Great Britain during 1940–41 as individual air observers in supplement to the regular military attaches. When, in March of 1941, joint Anglo American war plans were perfected (called ABC–1), they provided for the creation of Special Observer Groups of American officers to ostensibly function as neutral observers but to also prepare for conversion into an advance staff element for a theater of operations should the United States enter the war.104

Under ABC–1, the SPOBS [Special Observation Groups] was to become the official care of the United States Army Forces in the British Isles, which later actually became the European Theater of Operations. SPOBS’ air staff section eventually evolved into the Air Technical Section, ETO Headquarters, and then re-designated Directorate of Technical Services of the Air Service Command, United States Army Air Forces in Europe, with the functions of providing for the inspection and evaluation of captured enemy aircraft and directing the activities of air intelligence field teams.

The entire SPOBS groups wore civilian clothes and to the casual observer it would seem that the American Embassy was expanding its staff. Each officer in SPOBS had contacts with

101 Ibid., Chapter VIII, pp. 36–37.
102 Ibid., Chapter VIII, p. 38.
103 Ibid., Chapter VIII, pp. 39–40.
104 Ibid., Chapter VIII, pp. 43–44.
a section of the British Army or Royal Air Force which corresponded most nearly to his own. Lt. Col. Homer Case, SPOBS G-2, for example, conferred with the British Ministry on methods of training photo interpreters and then he recommended that American personnel be permitted to take advantage of the RAF’s photo-interpretation school and units. Compared to British developments in that field, the United States was in the elementary stages. Also, while getting acquainted with British operations and making war plans, the SPOBS “provided the War Department with a listening post which relayed intelligence concerning the world’s war fronts.” 105

Meanwhile, on the homefront, efforts continued at easing the way for the exchange of technical data with the British.

In the interests of economy, efficiency, and simplicity for all arms and services, the Secretary of War designated the AC/S, G-2, to coordinate the exchange of information with British representatives in America. In matters of aeronautical equipment and technical information, the Air Corps in the fall of 1940 was authorized by G-2 to divulge data to authorized representatives of the British Empire on unclassified, restricted, or confidential information, but secret documents which could not be reclassified to a less restricted category had to be cleared by G-2 prior to release. Requests for information from the British Air and Purchasing Commissions in America normally were made through the Foreign Liaison Branch of the Intelligence Division, OCAC. Directed negotiations by the Air Corps with the British representatives were permitted for the interchange of technical information with the understanding that G-2 would be advised in the form of receipt copies, of information secured and released.106

On another matter, when the Air Corps in May, 1941, indicated a desire to establish a branch intelligence office in New York, it was repulsed by the Assistant Chief of Staff, G-2, on the basis that such a request infringed upon his exclusive responsibility for collecting intelligence information and would duplicate an MID effort as that agency already maintained a field facility in New York. Since MID did not have an air operation expert in the branch office, an OCAC Intelligence Division analyst was loaned for this purpose.107

By 1 August 1941 the branch office’s new project of producing target folder [sic] for the Air Corps was in progress. The original folder program involving single targets was extended to cover increasingly large areas until the Air Corps sectionalized and numbered the various theater areas; from then on area target folders were produced. Air target materials were collected from files of trade data, records of financial transactions, engineering reports, travel diaries, field notes of scientists, and other similar items existing in the New

105 Ibid., Chapter VIII, pp. 45-46.
106 Ibid., Chapter VIII, p. 49.
107 Ibid., Chapter VIII, pp. 59-61.
York area. This material could not be shipped to Washington for processing and had to be examined at the sources. Fortunately, the New York office was located contiguous to and worked closely with the Army Map Service thus enabling the office to produce a bonus in the form of topographical and geographical intelligence.

The MID proposed to expand its branch in New York so as to increase the production of objective folders. But in light of the current international situation and the great magnitude of the task involved in ferreting out available data existing within the United States, General Scanlon on the day before Pearl Harbor told G-2 that the proposal was modest in the extreme. The outbreak of war of course became the signal for accelerating all expansion plans into high gear and the branch office, for example, was gradually assigned sufficient personnel to enable it to provide essential intelligence for A-2's targeting operations for German and Japanese areas. But it was the San Francisco Branch which concentrated on collecting available intelligence information on Japanese industries.108

Then came the debacle of Pearl Harbor, December 7, 1941.

A-2 was a madhouse, recalled one of the first officers assigned to air intelligence in AAF Headquarters after Pearl Harbor Day. Sitting at a desk cluttered with ringing telephones connecting important air installations, the intelligence officer who valiantly attempted to handle the large number of incoming calls during the hectic first days of war reminded an observer of an old fashioned movie. In those days a newly assigned officer would see red upon entering an office of A-2: With ever-increasing demands for intelligence, desks in a crowded small room were frequently piled high with documents, and as almost everything was classified, the prevailing red security cover sheets seemed to lend a reddish hue to the room. A new officer could see red both literally and figuratively. In one instance, for example, an officer was rushed from his pistol patrol of Bolling Field, Washington, D.C., to A-2 only to wait days before someone could find time to assign him specific duties. Even then the young and inexperienced intelligence officer had to use his own judgment and imagination as to how his tasks should be accomplished.109

Efforts were soon made to restore order to military operations in the aftermath of the Japanese attack. The only truly functional air intelligence entity was the Air Corps Intelligence Division and it was quickly sought by A-2 in a centralized intelligence plan.

After a period of negotiations, the views of the higher headquarters finally prevailed and the Chief of the Air Staff on 23 January 1942 directed the Chief of the Air Corps to transfer to A-2 all the functions, personnel, and equipment of the Foreign Liaison Section and the Air Intelligence Sec-

109 Ibid., Chapter XII, p. 4.
tion. The latter was the heart and soul of the Air Intelligence Division because it was composed of: the Current Unit containing the file of technical intelligence collected over a period of years, the Evaluation Unit charged with correlating and evaluating intelligence, and the Operation's Unit, which translated intelligence into air estimate and target objectives.

A small number of officers and civilians of the Air Intelligence Section were permitted to remain in the Intelligence Division so as to allow the CAC to continue his command functions and responsibilities. The sections remaining in the Intelligence Division were Maps, Counter Intelligence, and Air Intelligence School. Furthermore, copies of all intelligence matters received by A-2 were to be sent to the OCAC. A sufficient amount of air intelligence functions remained in the OCAC to prevent the attainment of the goal of centralization of intelligence authority. Further complication and duplications resulted from the operations of an air intelligence office in the Military Intelligence Division of the WDGS.110

The importance of the air arm in the prosecution of the war soon became evident and, accordingly,

the War Department through Circular 59, issued on 2 March 1942 and effective on 9 March, decided that the most effective organization which would give the desired freedom of action for all services and at the same time ensure the necessary unity of command, was one having three autonomous and co-ordinate commands under the Chief of Staff: Army Ground Forces, Army Air Forces, and the Services of Supply (later, renamed Army Service Forces).

The overall planning, coordinating, and supervisory role of the WDGS was reaffirmed, but enough air officers were to be assigned to the War Department to help make strategic decisions. The goal of 50 percent air officers on duty with the WDGS was never reached principally because qualified Air Corps officers were so scarce. Thus G-2 was not only able to enlarge his air unit, but he was reassured of this responsibility for collecting all intelligence, both air and ground. Nevertheless, the reorganized office of A-2 was to make the most of the grant of autonomy to the AAF.

As the result of the reorganization of March 1942, the intelligence functions of the OCAC and Combat Command were transferred to A-2, headed by Col. R. L. Walsh who had replaced General Scanlon on 21 February 1942. A-2, however, lost the activities and personnel of its Foreign Liaison Section to G-2's newly established Military Intelligence Service (MIS). About the same time, the Intelligence Service (IS), the air intelligence operating agency comparable to the MIS, was established under the supervision and control of A-2. The first Director of the IS, Lt. Col.

110 Ibid., Chapter XII, pp. 5-6.
C. E. Henry, was assigned the functions of collecting, evaluating, and disseminating technical and other types of intelligence, training air intelligence officers, and operating the security services. To accomplish these duties the Administrative, Operational, Informational Intelligence (less the Current Unit), and the Counter Intelligence Sections were transferred from the A-2 Division to the IS.

The Administrative Section served both the IS and A-2. With the IS as the major operating agency, the other sections under A-2 were Executive and Staff, Combat Intelligence, and Current Intelligence. A Plans Section was also established in A-2 for the purposes of formulating plans for collecting and disseminating air intelligence, training intelligence officers, establishing air intelligence requirements, coordinating projects with the Air Staff and the WDGS divisions, and establishing liaison with other American and foreign intelligence agencies. The section was short lived as a separate entity as a result of A-2's order for its absorption into the Executive and Staff Section.\(^{111}\)

Three months after the March reorganization took place, a formal survey was conducted to deal with weaknesses in the new arrangements. A-2 had little criticism of the scheme except for a clearer relationship between the counterintelligence groups of the MID/WDGS and those of the Air Intelligence Service.\(^{112}\)

Slight changes were made and in a few instances some offices were re-shifted. In A-2, an Office of Technical Information, with a nucleus of four officers transferred from the public relations branch, was created as a part of the Current Intelligence Section. Col. E. P. Sorensen, who had assumed the position of AC/AS, A-2, on 22 June 1942, used the newly acquired Office to prepare the weekly brief for General Arnold's use in the meetings of the War Council. By the beginning of the following year the Office of Technical Information had become an independent section in A-2's office. In addition to preparing weekly summary reports for General Arnold, the Office also handled the AAF's public relations activities and helped prepare for publication the office service journal, *Air Force*, which on 6 September superseded the *Air Force News Letter*.

Other newly established units included an Intelligence Training Unit within the Air Intelligence Service. By early 1943 training functions had been incorporated into a Training Coordination Section and transferred from the AIS to the A-2 level. The Special Projects Section in the AIS was also moved to A-2 where it was eventually incorporated into the Staff Advisors Section. In general the main divisions in the Office of the AC/AS, A-2, remained fairly well stabilized from the time of the War Department reorganization of

\(^{112}\) *Ibid.*, Chapter XII, p. 20.
March 1942 until the AAF streamlined its own structure in the following March by abolishing the Directorates.\textsuperscript{113}

This was the last major reorganization of the air arm’s intelligence structure during the period of the war.

After an adjustment and reconciliation of the various plans and ideas that had been presented during the previous months, a streamlined organization went into effect on 29 March 1943. Many offices devoted to the planning or execution of specific functions were telescoped into the offices of assistant chiefs of staff and special staff. In the Office of the Assistant Chief of Air Staff, Intelligence, all the functions assigned to air intelligence were divided among five principal divisions: Operational Intelligence, Counter Intelligence, Intelligence Information, Historical, and Combat Liaison and Training.

The last named divisions combined the Combat Liaison Section of the Air Intelligence Service and the Training Coordination Section, which had been on the A-2 staff level. The Current Intelligence Section was also removed from its A-2 staff status and made part of the Informational Intelligence Division. The only units left out of the five main divisions because of their service to the entire intelligence office were the Office Services, Office of Technical Information (to handle public relations), and Special Projects (formerly Staff Advisors). Two sections of Counter Intelligence, Safeguarding of Military Information and Training Clearance, were transferred to the Facilities Security and Personnel Security Branches in the Air Provost Marshal’s Division in AC/AS, Material, Maintenance, and Distribution.

By June 1943, the Combat Liaison and Training Division became the Training Plans Division and given the functions of making studies in and formulating policies and practices for intelligence training in AAF schools and units. At about the same time, the Operational Intelligence and Intelligence Information Divisions were renamed Operational and Informational Divisions, respectively. By October 1943 a few minor changes had been made within the divisions and two new agencies were added: The Air Intelligence School section was created to operate the Air Intelligence School at Harrisburg, Pennsylvania, for the training of AAF officers in combat and base intelligence, photo interpretation, and prisoner of war interrogation.\textsuperscript{114}

While certain post-war changes would be effected in the air intelligence institution immediately after the cessation of hostilities in 1945, the next significant restructuring of this intelligence organization would occur with the establishment of the independent United States Air Force in 1947.

\textsuperscript{112} Ibid., Chapter XII, pp. 22-23.
\textsuperscript{113} Ibid., Chapter XII, pp. 24-25.
The military intelligence organization of World War II consisted of a variety of field units, ranging from groups serving with combat commands to the special staffs designed to assist allied combined operations councils at the highest levels of armed services leadership. The core or hub of this complex of overseas intelligence entities was the Military Intelligence Division of the War Department General Staff, an agency which, in the twilight peace of 1938, consisted of 20 officers and 48 civilians.  

When the United States entered the war, the Military Intelligence Division was ill prepared to perform the tasks which were to be thrust upon it. The war in Europe and the increasingly critical world situation had increased the number of persons employed in the Division and had added a few new activities. Despite the expansion, there were real deficiencies, which indicate the condition of the Division at the end of 1941. There was no intelligence on enemy air or ground order of battle; there was no detailed reference material on enemy army forces such as weapons, insignia, fortifications, and documents; there was no detailed topographic intelligence for planning landing operations; there were insufficient facts—but plenty of opinion—on which to base strategic estimates; and there were no trained personnel for either strategic or combat intelligence. The production and planning of intelligence was proceeding, but on a limited scale and to an insignificant degree. Fortunately most of this material could be obtained from our allies, but it no more than satisfied current intelligence requirements and was completely inadequate for long range requirements. Before V-J Day, the Division had developed into a large and efficient intelligence organization, but this development, like the building of Rome, did not take place overnight. Present estimates indicate that an efficient intelligence machine was not developed until late 1944.

Appointed chief of the Operations Division (successor to the War Plans Division) of the War Department General Staff in March, 1942, Major General Dwight D. Eisenhower, the man destined to command Operation Torch and serve as Supreme Commander of the European Theater, made the following observation with regard to intelligence operations and capabilities during the period of America’s entry into world war.

Within the War Department a shocking deficiency that impeded all constructive planning existed in the field of Intelligence. The fault was partly within and partly without
the Army. The American public has always viewed with repugnance everything that smacks of the spy: during the years between the two World Wars no funds were provided with which to establish the basic requirement of an Intelligence system—a far-flung organization of fact finders.

Our one feeble gesture in this direction was the maintenance of military attaches in most foreign capitals, and since public funds were not available to meet the unusual expenses of this type of duty, only officers with independent means could normally be detailed to these posts. Usually they were estimable, socially acceptable gentlemen; few knew the essentials of Intelligence work. Results were almost completely negative and the situation was not helped by the custom of making long service as a military attache, rather than ability, the essential qualification for appointment as head of the Intelligence Division in the War Department.

The stepchild position of G-2 in our General Staff system was emphasized in many ways. For example the number of general officers within the War Department was so limited by peacetime law that one of the principal divisions had to be headed by a colonel. Almost without exception the G-2 Division got the colonel. This in itself would not necessarily have been serious, since it would have been far preferable to assign to the post a highly qualified colonel than a mediocre general, but the practice clearly indicated the Army's failure to emphasize the Intelligence function. This was reflected also in our schools, where, despite some technical training in battlefield reconnaissance and Intelligence, the broader phases of the work were almost completely ignored. We had few men capable of analyzing intelligently such information as did come to the notice of the War Department, and this applied particularly to what has become the very core of Intelligence research and analysis—namely, industry.

In the first winter of the war these accumulated and glaring deficiencies were serious handicaps. Initially the Intelligence Division could not even develop a clear plan for its own organization nor could it classify the type of information it deemed essential in determining the purposes and capabilities of our enemies. The chief of the division could do little more than come to the planning and operating sections of the staff and in a rather pitiful way ask if there was anything he could do for us.¹¹⁷

The chronology of organizational developments in the military intelligence structure necessarily focuses upon the Military Intelligence Division, beginning with the final months before the Pearl Harbor attack.

<table>
<thead>
<tr>
<th>Year</th>
<th>Officers in Washington</th>
<th>Civilians in Washington</th>
<th>Officers in field</th>
<th>Civilians in field</th>
<th>Total</th>
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<tr>
<td>1938</td>
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<td>48</td>
<td>50</td>
<td>73</td>
<td>191</td>
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<td>1939</td>
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<td>1940</td>
<td>28</td>
<td>167</td>
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<td>1941</td>
<td>200</td>
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<td>1942</td>
<td>509</td>
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<td>197</td>
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<tr>
<td>1943</td>
<td>649</td>
<td>1,079</td>
<td>247</td>
<td>273</td>
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<tr>
<td>1944</td>
<td>581</td>
<td>1,099</td>
<td>269</td>
<td>618</td>
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<td>1945</td>
<td>575</td>
<td>931</td>
<td>247</td>
<td>776</td>
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### TABLE III.—MILITARY PERSONNEL STRENGTHS, 1942–44

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<th>Organization</th>
<th>Jan. 31, 1942</th>
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<tr>
<td></td>
<td>Officers</td>
<td>Civilians and enlisted clerks</td>
<td>Officers</td>
<td>Civilians and enlisted clerks</td>
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<tr>
<td>G–2, intelligence</td>
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<td>G–3, organization and training</td>
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<td>57</td>
<td>105</td>
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<td>Bureau of Public Relations</td>
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<td>Inspector general</td>
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1 Includes Washington staff and departmental sections but no field agencies.

In September 1941 the Military Intelligence Division was organized vertically and prepared not only to produce intelligence, but also to expand in case war came. The Assistant Chief of Staff, G-2, Brigadier General Sherman Miles, was chief of the Division and was assisted by an Executive. Reporting directly to him was the Special Study Group (later the Propaganda Branch). Reporting to him through the Executive were the chiefs of the Administrative, Intelligence, Counterintelligence, Plans and Training, and Censorship Branches.

The Administrative Branch included two types of functions. Such sections as Finance, Personnel, Records, and Coordination comprised the first type. By this consolidation of administrative functions the remaining branches of the Division were free to devote their full energies to their primary functions. This branch also was charged with the administrative supervision of the Military Attache system, the Foreign Liaison and Translation Sections.

The heart of the Military Intelligence Division was in the Intelligence Branch, the largest of the branches. Organized along geographic lines, it controlled, in a large measure, all of the processes of intelligence. Information was gathered and evaluated and intelligence produced by the following seven sections: the Balkans and Near East, the British Empire, Central Europe, Eastern Europe, Far East, Latin America, and Western Europe. It will be noted that the lines of demarcation were entirely geographical and that there was no attempt to separate information and intelligence topically according to political, economic, scientific, and so on. The Air section and later the Order of Battle Branch were exceptions to this rule. Intelligence was disseminated by the Dissemination Section and by the G-2 Situation section which maintained the G-2 Situation Room. The information gathering activities of military attaches, observers and others working “in the field” were directed by the Field Personnel section. This included directives concerning the types of information desired but did not embrace administrative matters which were left to the Military Attache Section of the Administrative Branch. In other words, the attaches looked to the Administrative Branch for their administration, to the Intelligence Branch for their directives, and reported their findings to the geographic sections. To assist the Chief of [the Intelligence] Branch in administrative matters there was a small administrative group within the Branch. It will be noted that the Branch controlled all of the processes of intelligence, and that it was devoted entirely to positive intelligence, as opposed to negative or counter-intelligence.\footnote{MID History, op. cit., pp. 6-7.}

Organized functionally, the Counter Intelligence Branch, composed of Domestic Intelligence, Investigation, and Plant Intelligence sections, probed subversion and disloyalty matters, supervised defense
plant security, produced intelligence relative to the domestic situation, was responsible for safeguarding military information, and took on such special assignments as were given to it.

The Plan and Training Branch “prepared plans for intelligence requirements and developed policies for military and combat intelligence” while also being “responsible for the development and supervision of training doctrine in the fields of military and combat intelligence.”

Until the United States actually entered the war, the Censorship Branch (renamed the Information Control Branch on December 5, 1941) remained small and confined itself to preparing plans for future censorship. Because national censorship in wartime was not assigned to the War Department, G–2 was responsible only for military censorship policy though liaison with the Office of Censorship which provided MID with valuable information uncovered by that agency.20

In early 1942, a reorganization occurred within the War Department, a restructuring which would prove functionally troublesome for MID.

The new organization was announced to the Army in Circular #59. As it affected the army its changes were far reaching and fundamental. The most striking feature of the proposed reorganization was the distinction made between operating and staff functions. The latter were to be retained by the general staff division, but the former were to be placed in operating agencies. This entailed the separation of the larger part of the organization of each staff division from the small policy making group who performed truly staff functions. The policy groups would remain in the General Staff as a small policy making and advisory staff divorced from the operating functions of their organizations. By ruthlessly regrouping many old offices and functions and integrating them into the new organization, smoother functioning was expected.

The language of the Circular did not make a clear distinction between the [old policy making] Military Intelligence Division and the [newly created operating] Military Intelligence Service. From the present point of vantage the intentions of the circular seem clear. This distinction was not made completely clear until Circular 5–2, September 1944, was issued, although some progress had been made in the

119 Ibid., p 8.

120 The censorship of communications between the United States and foreign nations was authorized by the First War Powers Act (55 Stat. 849) approved December 18, 1941. Pursuant to this statute, President Roosevelt, on December 19, established (E.O. 8985) the Office of Censorship, a civilian agency located within the National Defense Program tangentially attached to the Executive Office of the President. The director of the Office of Censorship and its program was Byron Price, who headed the unit until its demise by a presidential directive (E.O. 9631) issued September 28, 1945 and effective on November 15 of that year. See Elmer Davis and Byron Price, War Information and Censorship. Washington, American Council on Public Affairs, 1943; also see Byron Price, Governmental Censorship in Wartime. American Political Science Review, v. 36, October, 1942: 837–850.
July 1942 revision of AR 10-15, Circular #59 charged the Military Intelligence Division, G-2, “with those duties of the War Department General Staff relating to the collection, evaluation and dissemination of military information.” The Military Intelligence Service was established “under the direction of the Assistant Chief of Staff, Military Intelligence Division, War Department General Staff . . . [to] operate and administer the service of the collection, compilation and dissemination of military intelligence.” Here was a verbal paradox. In the vocabulary of G-2 intelligence is based upon the evaluation of information. Information is the raw product from which intelligence is produced. [The] Military Intelligence Division was charged, then, with duties relating to the evaluation and dissemination of information; while [the] Military Intelligence Service was not charged with the evaluation but with the dissemination of intelligence.121

Subsequent discussions and attention to this verbal dilemma contributed to a clarification of the functions of MID and MIS, but the initial confusion and lack of an authoritative decision on the matter did little to ameliorate ill feelings over the dichotomous organization and subsequent rivalry between the two units.

A series of office memoranda implemented the reorganization directed by Circular #59. The Military Intelligence Service was created and all personnel, except certain commissioned officers, were transferred to it from [the] Military Intelligence Division. An examination of the personnel assignments in the memoranda and of assignments listed on a Chart of 15 January 1942 reveals few essential changes. Colonel Hayes A. Kroner, the new chief, Military Intelligence Service, had been Chief of the Intelligence Branch. Col. Ralph C. Smith, the new Executive Officer, Military Intelligence Service, had been Executive Officer and Chief, Administrative Branch. The latter function was assigned to Col. T. E. Roderick, formerly Assistant Executive. He likewise retained his assignment as assistant executive officer. The new Chief, Intelligence Group, Col. R. S. Bratton, had formerly been assigned to the Far Eastern section of the Intelligence Branch. Chief of the Training Branch, Lt. Col. P. H. Timothy, had been chief of the Plans and Training Branch. Col. Oscar Solbert, now chief of the Psychological Warfare Branch, was a past member of that Branch. Col. Black, its former chief, had been transferred to the Military Intelligence Division staff section. Other members of the Staff were either newly assigned members of [the] Military Intelligence Division, detailed from the AAF, or former members of [the] Military Intelligence Division.

The Military Intelligence Service was divided into four groups, each reporting to the Chief, Military Intelligence Service, through his executive. The Foreign Liaison Branch

and the Military Attache Section reported independently to the Chief, Military Intelligence Service, and not through a Deputy. The Administrative group was divided into five housekeeping sections. The Intelligence group was divided into parallel Air and Ground sections, organized according to theaters. In addition, an administrative Branch and a Situation and Planning Branch assisted in the supervision and planning for the group.

The Counter Intelligence Group was divided into parallel air and ground sections, devoted to Domestic, Plant Intelligence, Military Censorship, and Security of Military Information. They, too, were coordinated by an Administrative and a Counter Intelligence Situation and Evaluation Branch. Psychological warfare, training and dissemination were assigned to the Operations Group.122

Three months after Circular #59 was implemented, the new Assistant Chief of Staff, G-2, Major General George V. Strong, whom Eisenhower described as “a senior officer possessed of a keen mind, a driving energy, and a ruthless determination,”123 indicated his dissatisfaction with the reorganization as it affected MID and offered an alternate plan of structure to the Chief of Staff.124

It was essentially the same organization as before, except that the office of Chief, Military Intelligence Service, had been established between most of the branches and the G-2. The Military Intelligence Division Staff, aside from [the] Military Intelligence Service, was new. The most apparent difference between the old and new plan was the separation of ground and air intelligence into parallel sections within Intelligence and Counterintelligence. As before, a group was established which met in the Situation Room to make the final evaluation and to conduct broad planning and policy making. Preliminary work of this sort was also done in the Situation and Planning sections and the Evaluation section of the Intelligence and Counterintelligence groups. Because the final evaluation process was entrusted to the G-2, General Staff, there was no clear break between [the] Military Intelligence Division and [the] Military Intelligence Service.

General Strong believed in organizing the Division functionally and sought therefore to place evaluation in the Intelligence Group. In July, according to present evidence, the Dissemination Branch was combined with certain other func-

122 Ibid., pp. 15-16; another account comments that “after March 1942 there was a small Military Intelligence Division of the War Department General Staff totalling 16 officers with 10 clerical assistants, and a Military Intelligence Service consisting of 342 officers and 1005 civilian and enlisted assistants. The Service was to carry out the operational and administrative activities for the General Staff section, and while there were to be two distinct agencies, some of the key officers were members of both organizations. This differentiation tended to be an artificial distinction and in practice there was but one organization.” From Otto L. Nelson, Jr. National Security And The General Staff. Washington, Infantry Journal Press, 1946, p. 525.
123 Eisenhower, op. cit., p. 34.
124 MID History, op. cit., p. 19.
tions and designated the Evaluation and Dissemination Branch, probably in the Intelligence Group. The date is uncertain, but the G-2 telephone directories for June and July indicate that this must have been the date. It was an agency which evaluated the overall information collected within the group and disseminated it as intelligence. In October its name was changed to the Dissemination Group and it was placed in the Intelligence Group. At the same time the Intelligence Group was divided into the newly created North American and Foreign Intelligence Command and the American Intelligence Command. The two commands gave [the] Military Intelligence Service the means to handle on the one hand all intelligence affecting Latin America (American Intelligence Command) and all other types of foreign intelligence (North American and Foreign Intelligence Command) on the other.125

Other changes in the intelligence structure were effected, such as the decentralizing of the American Intelligence Command and relocating it in Miami.

By 29 November 1942 arrangements were sufficiently stable to issue a chart showing the various changes. The G-2 Staff was retained, and the Chief, Military Intelligence Service, was also designated as Deputy, G-2. The Executive office now appeared to supervise the Message Center. The Chief, Military Intelligence Service, was given four Assistant Chiefs for Intelligence, Training, Administration, and Security. The Intelligence Group was divided into the two commands mentioned above. North American and Foreign Intelligence Command was organized geographically with a separate air section further subdivided into general geographic sections. American Intelligence Command was organized more functionally with Branches devoted to Special Activities, "American," Air Control, Communications Control, and Hemisphere Studies. The dissemination Group was so placed that its Cable, Collection, Theater, Intelligence, and Publications Branches received reports from both commands. At the top of this pyramid with [sic] the Evaluation Board which reported to the Assistant Chief, Military Intelligence Service, Intelligence, and could receive reports from the aforementioned commands and groups.

The Training agency was divided into two groups: one for intelligence schools and the other for liaison with other schools and agencies concerned with intelligence training. The Assistant Chief, Military Intelligence Service, Administration was given certain operational Branches in addition to his housekeeping branches. These included Foreign Liaison, Military Attache, Psychological Warfare, Prisoner of War, and Geographic Branches. The latter was announced 25 November 1942 as the coordinating and policy making

125 Ibid., pp. 18-19.
agency for War Department procurement, preparation, and reproduction of maps. The Assistant Chief, Military Intelligence Service, Security, the old Counterintelligence Group, retained the same essential organization, being divided into domestic intelligence (counterintelligence) and Safeguarding Military Information (or Special).

Not shown on the chart was the Special Branch, which handled all matters relating to cryptographic security and communications, interception and analysis of cryptographic and coded messages, and measures relating to the use and security of radar and signal intelligence. This branch reported directly to the Assistant Chief of Staff, G–2, because the nature of its activities prevented a wholesale circulation of its efforts. 126

The Evaluation Board, established on November 3, 1942, in accordance with General Strong's particular wishes, was directly responsible to the Assistant Chief of Staff, G–2, and the Chief of the Military Intelligence Service. It maintained close liaison with both the North American and Foreign Intelligence Command and the American Intelligence Command; in addition, foreign country experts were added to its membership, indicating increasing importance for country specialists. 127

General Strong next proceeded to announce a new organization which more closely met his demands for an intelligence division. Although he disapproved of a separate Military Intelligence Service, he retained it and attempted to fashion his organization to produce the desired effect. The new organization was announced 25 January 1943. The General Staff section was divided into a Policy Section charged with the study and review of policies and their coordination in the General Staff and War Department. The remainder of the Staff was transferred to the Evaluation and Dissemination Staff of the Intelligence Group. This staff was charged with evaluation, interpretation, dissemination, and planning of intelligence. Specifically, it was charged with the determination of the intelligence requirements of the Chief of Staff and Operations Division. Current intelligence production and planning were, therefore, taken out of the hands of the staff where General Strong apparently felt it never should have been placed. A policy group was left behind to study and coordinate policy matters. No mention is made of strategy and task force operations, but presumably these problems were discussed by the Evaluation and Dissemination Staff. The mission of the Staff had been stated even more fully on 8 January 1943, when an interim organization was announced. It was to "control policy on evaluation, supervise its execution in the several levels of the Intelligence Group, and give final and superior evaluation, from the Operations viewpoint to military information for the application of

126 Ibid., pp. 20–21.
127 Ibid., pp. 21–22.
intelligence locally and for its dissemination wherever necessary.” Thus, it not only set the policy for evaluation, but reviewed, in its supervisory capacity, the products of the various branches of the Intelligence Group.128

The four major units of the Military Intelligence Service—Administration, Intelligence, Counterintelligence, and Training—remained as they were but new subdivision entities were created at the discretion of the heads of these offices. The North American and Foreign Intelligence Command was abolished at this time and the American Intelligence Command became the American Intelligence Service, later the Latin American Unit.

Further alterations in the structure of the organization were effected three months later. The Foreign Liaison and Prisoner of War Branches were ordered to report directly to the Chief, Military Intelligence Service. The Administrative Group was abolished and its sections transferred to the Executive. A “Chart of Functions and Personnel” dated 17 April 1943, reveals that the Chief, Military Intelligence Service, was also Deputy G-2. Four sections appear as part of the “War Department General Staff, G-2”: the Policy Section, the Evaluation and Dissemination Section, the Administrative Section and the Joint Intelligence Committee Section. At the same time, an Evaluation and Dissemination Staff is included in the structure of the Intelligence Group. A study of its functions and personnel reveals an interesting situation.

As a part of the G-2 General Staff, the Evaluation and Dissemination Section’s functions are listed first as those assigned to the Evaluation and Dissemination Staff, and then as a section to study: “physical, economic, political, and ethnological geography in order to advise on measures of national security and assist in assuring continued peace in the post-war world; and . . . conducted studies of a broad nature to assist in the prosecution of the war.” Its other functions were to advise the Chief, Intelligence Group, on the Intelligence requirements of [the] Military Intelligence Division’s customers and to assign priority to their requests. They would also evaluate and synthesize information and intelligence produced, and make sure that there was always careful and complete consideration of all information in [the] Military Intelligence Service. Finally, they were to review and give final evaluation of intelligence before it was disseminated, and exercise general supervision over Military Intelligence Service publications and reports. Now the first function quoted above is exactly the same, except for slight changes in verbiage, as the mission of the Geopolitical Branch as stated in June 1942. Nowhere else in the chart is there a reference to the Branch, nor had there ever been any mention of it on any chart, because of a desire to keep its activities

128 Ibid., pp. 22–23.
Next came renewed efforts to abolish the Military Intelligence Service and centralize intelligence operations under a new organization.

On 30 August 1943, it was announced that General Hayes Kroner, then Chief, Military Intelligence Service, would become Deputy for Administration, G-2. Col. Thomas J. Betts was announced as Deputy for Intelligence, G-2. No new chief was announced for the Military Intelligence Service. All of the old agencies of [the] Military Intelligence Division and [the] Military Intelligence Service were grouped under these two deputies. This was done in recognition of the fact "that all G-2—Military Intelligence Service activities, regardless of allocation, are concerned fundamentally with military intelligence and security." It was further provided than an intelligence producing agency stripped of all administrative and operational functions should be established. All other functions were to be handled by another agency. Thus two deputies were established, the one responsible for administrative and "other" functions, while the other was responsible for intelligence.

A second stage of the MIS abolition plan came on September 22, 1943 in a memorandum announcing a further reorganization around three deputies, one for Administration, one for Air, and one for Intelligence. The first of these remained with General Kroner, who was also given responsibility for the operation of the Services Group, the Training Group, and the Historical Branch.

The mission of the Deputy for Intelligence was defined in the same terms as in the previous memorandum. He was to direct not only the Policy and Strategy Group and Theater Group, but also the Collection Group, the Prisoner of War Branch, and the Order of Battle Branch. Thus, the function of collection was returned to the Deputy for Intelligence. The Deputy for Air was made responsible for the reestablished Air Unit which was charged with the same liaison function formerly assigned to the Air Liaison Section. The Deputy for Air was also charged with the supervision of Air Corps personnel assigned to G-2 and who were to be integrated into the various sections of the Theater Group. Their functions were not elaborated, but they presumably remained the same as before. The "new" organization was not, in point of fact, so new as it appeared to be. The memorandum had merely recalled the earlier one [by General Strong protesting the creation of MIS], and then accomplished the same purpose. The primary difference was the return of the collection function to the Intelligence group. It represents General Strong's ideal organization of an intelligence agency. He believed the separation of [the] Military Intelligence Service from [the] Military Intelligence Division had been

130 Ibid., pp. 28-29.
“unfortunate,” therefore, it was abolished. He believed the organization should rest on functional bases, therefore, intelligence planning and policy, screening and evaluation, and dissemination were brought together under one roof. The many miscellaneous functions of G–2 (services, training, mapping, history, etc.) were left outside the key organization. In a sense, [the] Military Intelligence Service had become the organization of the Deputy for Intelligence, except that policy and planning was not left in the intelligence producing agency.

Paradoxically, the organization charts of the War Department and the Army continued to show a separate Military Intelligence Service, although it had been abolished. The bulk of the personnel allotted to the Military Intelligence Division were allotted to a Military Intelligence Service. Many papers prepared in G–2 continued to carry signatures indicating that [the] Military Intelligence Service existed and functioned. This situation was deliberate. The reorganization memorandum stressed the fact that its details were to be retained in [the] Military Intelligence Division. Outside the Division, an effort was made to maintain the appearance of a separate Military Intelligence Service.131

When General Strong’s tenure at G–2 came to an end and, on February 7, 1944, he was replaced by Major General Clayton Bissell, the reinstatement of MIS, in accordance with the Chief of Staff’s original wishes, was assured.

The preliminary study for another reorganization was already in progress. Three days after General Strong was relieved as Assistant Chief of Staff, G–2, the Adjutant General issued a letter order establishing two boards of officers to study, recommend, and supervise the reorganization of the Military Intelligence Division. The first board consisted of Brigadier General Elliot D. Cooke, the “steering member,” Col. John H. Stutesman, Lt. Col. Francis H. Brigham, Jr., Capt. Jerome Hubbard, and Mr. George Schwarzwalder (Bureau of the Budget). This Board was directed to make a detailed study and to submit recommendations for the reorganization of [the] Military Intelligence Division. They were further ordered to supervise the implementation of these recommendations under the supervision of a second board. It consisted of John J. McCloy (Assistant Secretary of War), Major General John P. Smith, Major General Clayton L. Bissell, and Brigadier General Otto L. Nelson, Jr. They were directed to “consider, approve, and supervise” the implementation of the recommendations submitted by the Cooke Committee.132

The work of these two panels came to a conclusion within two months from their creation.

131 Ibid., pp. 31–32.
132 Ibid., pp. 33–34.
On 23 March 1944, Mr. McCloy reported to the Chief of Staff the proposals of his committee, based upon the study of the Cooke Committee. A revision of AR 10–15 was suggested, which would give to [the] Military Intelligence Service the responsibility of securing pertinent information and converting it into intelligence for the use of the Chief of Staff, the General Staff, and the Military Intelligence Service. The Policy Staff would state and carry out all policies governing intelligence and counter-intelligence within the Army. The G–2 was responsible for the interior security of the Army and the production of intelligence necessary to the operation of the War Department. The purpose of the proposed change was clear. It not only separated [the] Military Intelligence Service from the Policy Staff and delineated the responsibilities of each, but it also clarified the relationship between the Division and the Service. This recommended revision was not adopted.

McCloy next outlined the proposed reorganization of G–2. It emphasized the fact that the Policy Staff must not be merged or integrated with [the] Military Intelligence Service. The work of the Policy Staff was divided into four groups of related subjects. A later regrouping and rephrasing of these subjects integrated and reduced the number of functions. The aim of both allocations was to enable a small body of experts to prepare policies, each in his particular specialty.

The broad outlines of [the] Military Intelligence Service were likewise sketched, but it was emphasized that within the organization, rigid compartmentalization would be avoided. The Chief, Military Intelligence Service, was charged with two responsibilities: the collection of information from all sources, and the production of intelligence. The Director of Information was to discharge the first function assisted by a supervisor of information, gathering personnel, liaison groups, etc., and a supervisor for receiving, classifying and distributing information. The Director of Intelligence would be assisted by an editorial group, intelligence specialists, and a chief of research. Finally, an executive for administration was to be created to relieve the Chief, Military Intelligence Service, and his two Directors of administrative problems. He was not to be a channel of communication between the Directors and the Chief of [the] Military Intelligence Service.133

Ultimately, there came the implementation of the proposals of the Cooke-McCloy panels.

The Reorganization Committee had recommended that AR 10–15 be revised so that the distinctions between the Military Intelligence Division and the Military Intelligence Service would be properly stated and made clear for all. This recommendation was not accepted. In September, however, a General Staff Circular, 5–2, 27 September 1944, was issued which superseded the Regulation and achieved the desired end. It
carefully listed the responsibilities and functions of the Military Intelligence Division and its subdivisions. The responsibility of the Assistant Chief of Staff, G-2, was defined and the preparation of plans and policies concerning military intelligence and counterintelligence. The functions of the Division were listed and it was made plain that it was to formulate plans and policies and to supervise the execution of the eleven functions listed. The Circular was prepared by the Policy Staff and there was, therefore, no confusion of language between information and intelligence. One factor, however, was added which had not been made explicit before. This was the supervisory responsibility of the Division.

The list of functions is clear and speaks for itself. It is therefore quoted in full:

"The Military Intelligence Division formulates plans and policies, and supervises:

1. Collection of information and intelligence at home and abroad, to include interrogation of prisoners of war.
2. Evaluation and interpretation of information and intelligence.
3. Dissemination of intelligence.
4. Terrain intelligence, including coordination of producing agencies.
5. Intelligence and counterintelligence training.
6. Military liaison with representatives of foreign governments.
7. Safeguarding military information, to include censorship and communications security.
8. Counterintelligence measures, to include evasion and escape.
9. Army participation in propaganda and psychological warfare.
10. Army historical activities.
11. The Military Intelligence Service, which is charged with appropriate operational functions concerning matters within the purview of the Military Intelligence Division."

For the first time, then, the distinction between the Military Intelligence Division and the Military Intelligence Service was clearly stated. It made a fact of the efforts of the last few years to make the Military Intelligence Service the operational agency and the Military Intelligence Division the policy and planning agency. The normal staff duty of supervision was assigned to the Military Intelligence Division. No less important was the fact that the Circular provided the Division with an up-to-date statement of its mission, responsibilities, and functions. In effect, it was the statement of functions described in the report of the reorganization committee.\(^\text{134}\)

\(^{134}\) Ibid., pp. 57-59.
Before leaving the evolution of the Military Intelligence Division, brief attention should be given to its operational units and their general activities. The first consideration in this regard is the intelligence collection function.

As of 7 December 1941, the collection of intelligence information was the responsibility of the Intelligence Branch of the Military Intelligence Division. This Branch also evaluated and distributed intelligence information; maintained digests of information of foreign countries; prepared combat, political, and economic estimates; and prepared special studies on foreign countries. Its geographical subsections directed and coordinated the collection of information by military attaches, by means of Index Guide and direct communication.

The Index Guide was a broad, general outline, covering the various aspects of information to be reported on a foreign country. It was too general to be considered an Intelligence Directive from which timely intelligence information could be expected. Specific direction to the military attaches in regard to collecting intelligence information was spasmodic and, therefore, incomplete. The geographic sections tended to depend on the ingenuity and clairvoyance of the military attaché to forward desired information.

The first step toward centralization came in March, 1942, when a Collection Section was established in the Situation and Planning Branch of the Intelligence Group. Although the primary function of collecting information remained with the geographic and subsections of the Intelligence Group, the Collection Section maintained liaison with other government agencies to secure information. It was essentially a liaison section until in November when the Collection Branch was placed in the Dissemination Group. Its new directive made it the agency to receive and requisition all information, except routine emanating from the Field Services. It obtained special information for the geographic branches and other divisions of the Military Intelligence Service, and from time to time it issued such intelligence directives as the Chief of the Intelligence Group might direct. The emphasis here was on non routine reports; routine reports were still the responsibility of the geographic branches. In securing its information, the branch used personal interviews, maintained contact with governmental and civilian agencies, and contacted field representatives.135

Field intelligence was gathered for battle commanders and strategists with a view to its immediate use by them and then subsequent forwarding to the Military Intelligence Division.136 The intelligence

135 Ibid., pp. 63–65.
needs of the General Staff in Washington were dictated by global strategy; commanders closer to specific operations required detailed intelligence of a more particularistic type. In many ways, MID sought to collect and maintain information which would serve both levels of intelligence need.

The functions of the Collection Branch were redefined 29 January 1943 by the Chief Intelligence Group after the reorganization outlined in Memorandum #18. The Branch was designated as the agency to requisition, receive and allocate all material coming into the Intelligence Group. Nevertheless, the individual units of the Group could still correspond with the Military Intelligence Service field representatives in the area of the special interest, but henceforth, were required to keep the Chief of the Collection Branch informed of this correspondence. A system of weekly reports to the Collection Branch were inaugurated, which itemized the types of information desired, assigned a priority rating, and distinguished new from old or repeated requests. These reports helped the branch coordinate collection activities with the requirements of other agencies. It did not yet have complete control over the collection of information, but a procedure by which a large portion of the requests were cleared through the Branch was established. The responsibility for liaison and the development of new sources increased the degree of its control over the collection of information.

On 18 March 1943 the Foreign Branch (actually the Field Services Branch at this period) was transferred to the Collection Branch. By this transfer, the Collection Unit gained administrative control of the Military Attache system. On 2 April 1943 the organization of the unit was described and its functions redefined. No new functions were added, except those acquired through the incorporation of the Foreign Liaison Branch, but the overall statement of responsibility designated the unit as the agency to requisition, receive and allocate all material coming into the Intelligence Group. The regional branches were still authorized to communicate directly with our representatives abroad.137

Next came the reorganization of 1944 and its effects upon the collection of intelligence information.

The reorganization plan of the “McCloy Committee” recognized the importance of the collection of information to the production of intelligence. An agency, separate from the Research branches, was created to exploit all possible sources and to collect timely, useful information. The production of information (the raw material of intelligence) was placed under the Director of Information and more specifically in the Source Control Unit.

The Supervisor of Source Control processed, trained, and assigned information gathering personnel; it advised them of

the types of information required; it assured the timely receipt of useful information; it weeded out useless information; and developed new sources. As established, it was largely an administrative and supervisory office, but it soon acquired other functions.

In October 1944 a War Department Intelligence Collection Committee was established under the Supervisor of Source Control. It was formed to coordinate and integrate all War Department intelligence target objectives for the exploitation in Germany and other rehabilitated areas, formerly occupied by the Axis. The Committee coordinated and compiled the requirements of the research branches of the Military Intelligence Service, the Technical Services, and the Air Forces into Target Objective Folders. The Folders were sent overseas to the Combined Intelligence Objectives sub-committee which coordinated all allied intelligence requirements so as to prevent duplication of investigation and to promote the most efficient use of specialist personnel. The committee also sent out investigative teams from the United States to exploit intelligence targets. In November 1944, the Committee began to turn its attention to objectives in Japan and Japanese occupied territory. The first of these folders was dispatched in May 1945.

The formal charter of the committee was not issued until June 9, 1945, but it had already been in operation for some time before this. Its secretariat was created September 23, 1944 to do the actual writing and coordinating of intelligence requests. The secretariat worked under the supervision of the Supervisor of Source Control who had been performing this work. Reports from the theaters were received in the Reading Panel which determined the reproduction and distribution to be given all incoming material. The secretariat filed new information in the Target Objective Folders as received. Documents of basic army interest were sent to the Pacific Military Intelligence Research Section . . . , Camp Ritchie, Maryland, and those of basic navy interest were sent to the Navy Document Center. Both agencies maintained accession lists of documents received.138

This committee marked an important pinnacle in centralized coordination of intelligence information collection. To further facilitate this organizational system, a monitoring control procedure for processing information requests was created. This practice allowed the Supervisor of Source Control to assign requests to the appropriate unit responsible for developing the type of information desired, to supervise response time and quality, and to otherwise remain apprised of the status of such inquiries. The Source Control United continued to issue general directives, as well, regarding the collection of information, thereby setting priorities and establishing a degree of quality control as well.139

138 Ibid., pp. 68–69.
139 Ibid., pp. 70–71.
Another important entity within MID was the military attache structure.

The group which administered this system during the war changed its name from time to time. It was known as the Military Attache Section (and Branch) until April 17, 1943, and thereafter as the Foreign Branch. The function and mission of the organization remained about the same throughout the period. The relation of the Branch to the military attache system was purely administrative. It processed personnel assigned to these offices. It brought them to the Military Intelligence Division where passports were arranged, innoculations procured, and intelligence indoctrination was completed. Thereafter the branch handled all administrative correspondence between them and the War Department, and supervised the administration of their offices. Finally, it was responsible for assisting the collection of intelligence by transmitting specific requests and general directives, such as the Index Guide.

In December of 1941 the section was composed of six officers and nine civilians under the direction of Captain (later Colonel) W. M. Adams. In the field, there were fifty-two offices, staffed by 129 officers. Coincident with the reorganization of the War Department, March 9, 1942, an Air Section, made up of an increment of officers from the Foreign Liaison Section A-2, was added to administer the air attache system. In early 1942, there were twelve Assistant Military Attaches for Air, each with an airplane and a crew chief. By Dec. 1, 1945 this number had grown to include 48 Military Air Attaches and Assistants in 38 Military Attache offices abroad.\(^\text{140}\)

Another mechanism developed for coordinated intelligence collection was the Joint Intelligence Collection agencies.

After the North African invasion, it was found that in areas where a theater commander was actually present, the flow of intelligence stopped. The Theater intelligence organizations were interested in combat intelligence, rather than intelligence and information necessary for training and strategic planning. The solution was the formation of the Joint Intelligence Collection Agency in North Africa (Algiers) by an agreement with General Eisenhower, dated Jan. 26, 1943. This agency was expanded on May 30, 1943 to include, not just Algiers, but all of North Africa and became known as the Joint Intelligence Collection Agency North Africa. A second Joint Intelligence Collection Agency was established as Joint Intelligence Collection Agency Middle East for the Middle East Theater, April 23, 1943. On August 5, 1943, the system was placed on a world wide basis by direction of the Joint Deputy Chiefs of Staff. The third was established in the China Burma India Theater, August 19, 1943, and from this a separate one was established for China, April 27, 1945, when

\(^{140}\text{Ibid., pp. 74–75.}\)
that theater was established. The Pacific Ocean Area was served by the Joint Intelligence Collection, Pacific Ocean Area, which was operated under the direction of the Joint Chiefs of Staff.\textsuperscript{141}

In addition to supplying administrative support and guidance for the Joint Intelligence Collection agencies, the Foreign Branch of the MID Collection Unit also supervised two special missions. Organized in the summer of 1943, the first of these entities gathered all information available regarding the latest developments and capabilities of the enemy in the field of bacteriological warfare. The second, called the ALSOS Mission, was operational by the autumn. It sought scientists and scientific information which might reveal the progress of the enemy in atomic research and allied subjects.\textsuperscript{142}

As of June 1944, liaison between MID and other Federal agencies was centralized in a Washington Liaison Branch but, even after that time, informal liaison persisted beyond the new unit's control.

The roots of the branch are to be found in the Contact Section, existing in the Intelligence Branch on December 5, 1941. It was charged with contacting State, Office of Naval Intelligence, etc. for military information. Subsequent charts and reorganization memoranda do not mention it, but a chart of May 15, 1942, lists one of the functions in the Dissemination Branch as interviewing returning observers, a task later assigned to the Washington Liaison Branch. Mention of a Contact and Liaison Section is made October 23, 1942 in a discussion of Intelligence possibilities in the interviews of returning observers, officers, and civilians by Major Edward F. Smith in Oct. and Nov. 1942. As we have seen in the discussion of the Collection Branch, this function was included in the directive of Dec. 9, 1942. Nevertheless, there seems to have been at least three agencies doing this type of work independently and without coordination (War Department Liaison, State Department Liaison, and Domestic Branch)—all in [the] collection unit. In Feb 1944 there were 150 Liaison functions performed in Military Intelligence Division, but they were not coordinated or controlled. Many offices whose functions were normally liaison acted independently of their superiors and on their own initiative. As Col. H. H. Mole, Chief of the North American Branch, said, "There were too many people running too many contacts for successful work."\textsuperscript{143}

While the coordination of liaison was a persistent and continuous problem in Washington for MID, it was less so in field contacts with private business enterprises due largely to the good efforts of regional offices.

At one time there were four such offices in New York, San Francisco, Miami and New Orleans. They were established to

\textsuperscript{141} Ibid., p. 76; for a view of coordinated intelligence operations within General Eisenhower's Supreme Headquarters in London, see Kenneth Strong, Intelligence At the Top. New York Doubleday and Company, 1969, pp. 72-299.

\textsuperscript{142} MID History, op. cit., p. 79.

\textsuperscript{143} Ibid., pp. 84-85.
collect information of intelligence value to the War Department from sources peculiar to their location. In addition, they performed such functions as liaison with foreign personnel, dictated by the characteristics of the industries and traffic of their locations. Only the Miami Office survived the war, all of the rest having been closed before the end of hostilities.

The Branch offices originated in 1940. At that time, most of the information coming into the division came in the form of Military Attache reports. It was recognized that there was a considerable amount of information to be had in the principal ports of entry and in the metropolitan centers of the nation. Files of trade data, insurance maps, and related data, records of financial transactions, engineering reports, travel diaries and field notes of scientists, and other similar items existed in these centers. This material could not be shipped to Washington for processing, so that it was necessary to go to the sources.

The first such field office to be established by MID was in New York. Opened on July 8, 1940, it initially concentrated on Latin American intelligence but by August, 1941, the product had shifted to target folders on Europe and, subsequently, on Japan. Before being closed on December 31, 1944, a satellite of the New York office was opened in Chicago sometime between January and March of 1943. A New Orleans unit operated between April 17, 1941, and February 2, 1943. The San Francisco office was inaugurated on July 31, 1941, and initially devoted its attention to interviewing evacuees from the Asiatic and Pacific areas of conflict. Later, the intelligence interest of the unit shifted to business and educational sources familiar with the Orient. While in operation, the office cooperated closely with representatives of the Office of Naval Intelligence; it ceased functioning on June 30, 1944. The Miami office, the longest lived and last to open, commencing operations on April 7, 1942. Its principal focus was upon Latin and South American developments and the trafficking of foreign visitors to the United States via the “Miami Gateway.”

The Foreign Liaison Office was created 31 August 1941 to facilitate the work of foreign military attaches and other foreign officers in this country on official business. It made arrangements to see that proper courtesies were extended to them and systematized and controlled the military information furnished them. At the beginning of the War it was a part of the Administrative Branch. In March of 1942 it was directly under the Executive, Military Intelligence Service, but later was placed under the G–2. In March it consisted of twelve officers and twenty-four civilians, but the same month received an increment of personnel from the Foreign Liaison Section of the Air Staff. After the reorganization of June 1944 it was placed in the Washington Liaison Branch where it remained for the rest of the war.

Throughout the war, then, it was concerned with the problem of satisfying the needs of the diplomatic military repre-

144 Ibid., pp. 87–88.
145 Ibid., pp. 88–89.
sentatives of foreign governments. The basic directives and
decisions which related to the release and exchange of both
technical and military information were made outside of the
section. The results of these decisions flowed through
it. . . 145a

The policies adopted in regard to the exchange of informa-
tion and intelligence with the British and our other allies
were developed on a higher level than the Military Intelli-
gence Division, but it took part in the discussions. Once the
general policy was adopted there then remained the task of
implementing it and working out the details on the "working
levels." In general this was done not in broad general agree-
ments but in a series of specific arrangements, sometimes
verbal and informal.

The background of these agreements lies in the pre-war
period when the military staffs of the two nations met to
discuss plans for strategy and to prepare for eventualities.
Beginning in January 1941 Staff conversations were held to
this end. Throughout the American representatives were care-
ful not to commit the nation to a line of action which might
later prove embarrassing. Agreements were made and conver-
sations held not on the basis of when the United States
entered the war, but if it should be forced to enter it. After
7 December 1941 further conversations and meetings were
held and more definite agreements were made.146

One of the devices developed to facilitate cooperative intelligence
arrangements between the United States and Great Britain was a
special panel called the Combined Intelligence Committee. It was part
of a progression of intelligence coordinating units created during the
war. First, a Joint Army and Navy Intelligence Committee was created
under the Joint Army and Navy Board on December 3, 1941.147 Orga-
nized in 1903, the Joint Board made recommendations to the Secre-
taries of War and Navy on matters involving cooperation of the two
armed services. Its subordinate agencies included the Joint Planning
Committee (established in 1919), the Joint Economy Board (estab-
lished in 1933), and the intelligence unit. The Joint Board was
abolished in 1947 with the institution of the Department of Defense.

Next came the Joint Intelligence Committee organized under the
Joint Chiefs of Staff.

This Committee, known also as JIC, was a continuation
and enlargement of the Joint Board committee of the same
name, which had been authorized in 1941. It received no
charter from the Joint Chiefs of Staff until May 1943, but it
was given a directive and was reorganized early in March
1942. Even before this, on February 11, 1942, a Combined
Chiefs of Staff paper had defined the duties and membership
of the Joint Intelligence Committee. Its primary functions
throughout the war period were to furnish intelligence in

145a Ibid., pp. 88-89.
146 Ibid., pp. 92-93.
147 Ibid., p. 94.
various forms to other agencies of the Joint Chiefs of Staff and to represent it on the Combined Intelligence Committee.

As originally constituted, the Joint Intelligence Committee was composed of the directors of the intelligence services of the Army and Navy and representatives of the State Department, the Board of Economic Warfare (later the Foreign Economic Administration) and the Coordinator of Information (later the Director of Strategic Services). The charter of May 1943 added the director of the Intelligence Staff of the Army Air Forces. This membership remained unchanged throughout the remainder of the war.

The Joint Intelligence Committee was assisted by a full-time subcommittee and some ten or more special subcommittees. The permanent working staff was organized by the Committee early in 1942 as the Joint Intelligence Subcommittee (JISC). Its status was formalized in the charter of the Committee on May 1943. Two months later, the Joint Intelligence Subcommittee was renamed the Joint Intelligence Staff (JIS). The latter agency was given a charter by the Joint Chiefs of Staff in May 1944 and operated under it throughout the remainder of the war.  

Then came the Combined Intelligence Committee.

Provision for this Committee, known also as CIC, was made in the agreement to create the Combined Chiefs of Staff, but it does not appear to have met before May 1942. Its working subcommittee, however, known first as the Combined Intelligence Subcommittee (CISC) and from August 1943 as the Combined Intelligence Staff (CIS), met as early as February 19, 1942. This subcommittee was composed of the Joint Intelligence Subcommittee, later the Joint Intelligence Staff, and the British Joint Intelligence Committee in Washington. The Combined Intelligence Committee consisted of the Joint Intelligence Committee and representatives of the British Joint Intelligence Subcommittee in London. Both the Combined Intelligence Committee and the Combined Intelligence Staff continued throughout the war. The former was responsible for collecting and disseminating military intelligence for the use of the Combined Chiefs of Staff and the Combined Staff Planners.

Other units of the Military Intelligence Division with specialized intelligence collection functions included a prisoner interrogation group.

The Captured Personnel and Material Branch was originally known as the Prisoner of War Branch. It was not established until 22 October 1942, although one of its functions, the Interrogation Center, had been established a few months earlier.

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149 Ibid., p. 4.
earlier. Thus, the origins of the branch go back almost to the beginning of the war.

The original impetus for the establishment of the interrogation centers came from the Navy. The Office of Naval Intelligence had studied an interrogation center near London during the period from 25 June to 17 December 1941. It found that such a center, where selected prisoners were interrogated, offered many advantages over a system of interrogation which stopped with the initial questionings at the time of the capture. The Navy and War Departments had agreed that the Army would be responsible for all captured personnel, and that the Navy would turn them over to the Army as soon as possible after capture. Upon completion of the study, the Secretary of the Navy recommended the idea to the Secretary of War. After study by the Military Intelligence Division, the plan was agreed to. It was agreed that two interrogation centers would be established: one in the East near Washington and the other in California. On 15 May 1942, Fort Hunt, Virginia, was selected as the east coast center, and construction was completed by the end of July. 139

Activated in April, 1942, the Fort Hunt Interrogation Center was allotted 68 officers and 61 enlisted men; in September of the following year, these personnel were reduced to 41 officers and 61 enlisted men. The West Coast Center, opened at the end of December, 1942, was located at Byron Hot Spring, but had a mailing address of Tracy, California, thereby causing it to be geographically referred to by two different names.

The interrogation centers, Fort Hunt and Tracy, were subject to a dual command. They were under the control of the Provost Marshal General, who designated the Commanding Officers for the two camps. These officers were responsible for procurement of equipment and overhead personnel upon requisition from the Corps areas. Interrogation personnel were supplied by the Military Intelligence Division and the Office of Naval Intelligence and their activities, coordinated by the senior interrogating officer. The camps were classified as Temporary Detention Centers. Within the compound of the camps, the areas known as the interrogation center was operated by, and was the responsibility of, the Chief of the Military Intelligence Service. This arrangement was not satisfactory. G-2 requested a unified control be established as more efficient and conducive to improved morale. The request was disapproved as contrary to existing regulations. The Adjutant General was then asked to establish a new regulation similar to that governing the harbor defenses. This was accomplished and on 14 April 1943 when the Post Commanders of Fort Hunt and Byron Hot Springs were ordered reassigned [sic]. This marked the end of the dual control system and the transfer of these operations to the Chief, Military Intelligence Service.

The senior interrogating officer was, thereafter, post commander.161

The last of the intelligence collection units of MID was the Map and Photograph Branch which began as the Geographic Section of the Plans and Training Branch in 1941 before reorganization into a separate branch in the spring of the next year. Subunits included a Photo Section, Still Picture Section (enemy motion picture film, military technical photography), Photographic Division (processing), Terrain Photo Section, Military Technical Photo unit (indexing and filing), and Motion Picture Unit. There was, of course, close liaison with the Army Map Service and Army Pictorial Service. Materials were also drawn from the Aeronautical Chart Service, Navy Hydrographic Office, Coast and Geodetic Survey, U.S. Geological Survey, Office of Strategic Services, and several commercial firms including the National Geographic Society.152

Generally speaking, the Division followed a traditionally geographic approach to the problem of intelligence production. There were those who found that the functional divisions of the McCloy Committee were sound. In certain specialized subjects, as Order of Battle, Air, and Topographical intelligence, a functional grouping was more desirable. Shortly after the war, the Division again embraced the geographic arrangement which would seem to settle the matter, at least for the moment, but a post war opinion of wartime operations states that the Division was not operating efficiently until the end of 1944—by which time the geographical arrangement had been abandoned.153

Whichever approach was operative in intelligence production, the core element of the research sections was their filing systems. According to the Basic Intelligence Directive, numbers and subjects served to indicate the most probable subdivisions into which information might be placed.

Intelligence was produced by other means than merely filing incoming reports. Careful studies were made from minutiae collected from the files of business concerns. Thus, a laborious study of the organization and production techniques used in the manufacture of an essential item might point out those places where the disruption of a simple process would halt production with only a modest expenditure of bombs. Thus, manufacturing, processing, and transportation bottlenecks were sought as targets. Captured orders were examined to discover the formation of new types of outfits, for clues to future plans. The who's who files were especially useful in turning up new and special type organizations. All available information on the enemy was studied because eventually it was grist for the mill.154
Under the geographic arrangement, the principal research units were British Empire, Western Europe, Central Europe, Eastern Europe, the Far East, and Latin America. This 1941 structure gave way the following year to the Eur-African, Far Eastern, and American Intelligence Service Groups, the Air Unit, and Special Branch, the last named being the largest intelligence producing agency in MID at the time.\(^{155}\) The 1944 reorganization saw the establishment of the Military, Topographic, Political, Economic, Sociological, Scientific, and Who’s Who Branches. But this scenario, too, was due for alteration.

Under the terms of the reorganization of June, 1944, Political and Economic intelligence was to be produced by two branches devoted to these subjects and working on a world-wide basis. To this end they were separated and personnel and equipment were brought in from the geographic branches and the Special Branch. In November the Far Eastern Section of the Political Branch was separated and transferred to the Economic Branch, and the European functions of the Economic Branch were transferred to the Political Branch. Each became, in fact, a Political-Economic Branch, responsible for the production of intelligence on these matters, according to a geographic area. The old Political Branch being responsible for Europe, Latin America, and North America; and the Economic Branch being responsible for the Far East.\(^{156}\)

The personalities of leaders and organized groups opposed to the Allies’ cause were of interest to the War Department and this prompted the collection of intelligence material pertaining to such individuals.

Originally, this information had been filed in the Record Section by relatively unskilled clerks who composed and filed the cross reference sheets. Later, this function was removed from the Record Section, and in January, 1943, Counterintelligence was removed from the Military Intelligence Division and decentralized to the Service Commands under the direction of the Army Service Forces. It was necessary, then, to find a substitute whereby central files could be established for the recording of biographical information needed in the Military Intelligence Division. It should also be borne in mind that the information which was secured by the Counterintelligence Group had been concerned largely with subversive personnel and, thus, left out a large segment of the world’s population who did not fall, automatically, into this category. The Geographical Branches had maintained files of persons of interest to them in their particular area, but these files were, of course, decentralized and suffered from the limitations of decentralization. Persons shifting from area to area could not easily be followed then unless proper inquiries were made between the geographic branches. In January, 1943, the Special Branch began a name file of persons or persons of interest to it, and since it was not bound by geo-

\(^{155}\) Ibid., p. 126.

\(^{156}\) Ibid., p. 146.
graphical limitations, a nucleus of a central file was established with trained personnel to operate it.\textsuperscript{157}

In June, 1944, the Who's Who Branch became the recipient of Name File of the Special Branch and received, as well, the relevant personality files of the geographical branches.

An offshoot of the Geographic Section of the Plans and Training Branch (later Map and Photo Branch) was the Topographic Branch, which was formed in June, 1944, by separating the Map Service, Photo Intelligence, and Interpretation Reports Sections from the remainder to form the Map and Photo Branch. That which remained became the Terrain (previously the Geographic Research) Section, the Cartographic Section, and the Transportation Section. As a result, it became more of a research section. The intelligence which it produced was provided not only to the War Department General Staff, but also to such agencies as the Joint Intelligence Committee, the Joint War Plans Committee and the Joint Logistics Plan Committee. It produced intelligence concerning terrain, vegetation, routes of movements and drainage, but also supplied intelligence concerning landing beaches, climate, and soil trafficability, which was generally produced by other agencies. The Chief of the Branch represented the Military Intelligence Division on the Joint Intelligence Committee to obtain topographic intelligence. He also represented the War Department General Staff on the United States Board on Geographical Names. The terrain section procured, selected, evaluated, and integrated information concerning terrain and climate. It also prepared written reports and manuscript maps which interpreted terrain and climate intelligence.

The Transportation Section was a new function, or a specialization, which appeared after the reorganization. It was designed to handle the demand for information and intelligence concerning the classifications and locations of rail networks and terminals, roads, trains, bridges, and tunnels, and the depths, widths, and currents of navigable rivers. It also prepared manuscript maps, as directed, of transportation networks. By V-J Day, this objective was only partially satisfied. The following sections of the Far East were completed: Burma, China proper, Netherlands Indies, Indo China, Malaya, and Thailand; with Formosa, Japan, Korea, Manchuria, and the Philippines partially completed. The Cartographic section produced maps and graphic material required by the other sections to present topographic intelligence in its final form.\textsuperscript{158}

The Scientific Branch maintained liaison with Federal agencies in an effort to keep abreast of the latest developments in American and Allied war research and also sought to produce intelligence regarding

\textsuperscript{157} Ibid., pp. 150-151; on counterintelligence activities in the field see John Schwarzwald. \textit{We Caught Spies.} New York, Duell, Sloan and Pearce, 1946.
\textsuperscript{158} Ibid., pp. 156-157.
enemy progress in such diverse subjects as radar and related electronic matters, rocketry, jet propulsion, atomic energy production, and conventional weapons improvements. Its subunits consisted of a Chemical and Biological Warfare Section, Electronics Section, New Weapons Section, and subsequently a Physics Section.

The Sociological Branch was a new agency in the Military Intelligence Service, but its work had been foreshadowed in the activities of other Branches. Under the new functional organization, most of these dispersed activities were combined and enlarged, and coordinated effort provided. The Geographic branches had done some of the work which the new branch would perform; as well as the Propaganda Branch, which had attempted some surveys of morale and propaganda, which duplicated the later work of the branch. The Geopolitical Branch had undertaken some population studies during its brief existence and these were now taken over by the Sociological Branch.

The main effort of the Branch was directed toward the discovery of sociological trends of military importance. Population and manpower data was studied for clues to vital statistics as well as the migrations and occupational characteristics of groups and types. Manpower and labor problems were studied to discover the availability of manpower for military and industrial service and the effect of legislation and organizations on the availability of manpower. Both civilian and military morale was studied in enemy countries. Social Groups and classes were studied to discover how their cleavages and tensions might be used to serve military ends.159

Organized in June, 1944, the Military Branch produced intelligence on all aspects of foreign ground and air forces, with an emphasis upon order of battle data but including, as well, weapons, fortifications, air industry, and some translation activities assigned to the unit. The functions of the branch were not new, but had appeared during the war and had suffered ineffective execution due to dispersed administration and treatment.

At the top of the pyramid of intelligence [production] personnel were the Specialists. While the rest of the Division was organized functionally [in 1944], the Specialists were organized geographically. In theory, they drew upon the resources of the other branches for the types of information which they required. To the material received from the research sections, they gave the final evaluation and approval before it was disseminated, thus inheriting some of the functions of the Evaluation Staff. By means of the G-2's Morning Conference, they presented the latest information from all corners of the world with their evaluation of its meaning and importance. Thereafter, during the day they sent him such other reports as were required. They worked with the Director of Intelligence and assisted him in giving directives to the Supervisor of Source Control to gather information.

159 Ibid., p. 161.
which they required, and gave direction and supervision to the research sections for the same purpose.\textsuperscript{160}

This, then, generally describes the MID intelligence production organization. But once intelligence information had been collected, analyzed, and a product was produced, one general function remained to be served—dissemination.

Throughout the war there were efforts to centralize the dissemination of intelligence. Prior to 1944, the Dissemination Unit had achieved the greatest degree of centralization so far attained. At no time, however, did it or the Reports Unit establish complete control of all phases of this activity. Indeed, this would have been impossible. Dissemination included, not only the preparation of printed periodical publications of intelligence, but also the means by which intelligence was presented to the G-2, the Chief of Staff, and the various Staff Divisions.\textsuperscript{15} Intelligence was disseminated by periodic publications, special reports, conferences, and so on; besides the usual types of reports and memoranda, maps, photographs, charts, and tables were used to present the material at hand. The normal dissemination functions were the responsibility of the Dissemination Unit in early 1944. Its antecedents include the Dissemination Section of the Intelligence Branch, which became the Dissemination Branch in April, 1942. Meanwhile, the Situation Branch, created early in 1942, was performing dissemination functions. In August, 1942, the Evaluation and Dissemination Branch was created to include the work of the Dissemination and Situation Branches in the Dissemination Section, along with other sections devoted to Communications, Theater Intelligence, and Order of Battle. A Project and Review Board reviewed all completed projects before they were sent out. In November, 1942, the designation of these sections was changed to Dissemination Group under Col. G. S. Smith. It included Cable Branch, Collection Branch, Theater Intelligence Branch, and Publications Branch. In April, 1943, after a number of minor changes, the Dissemination Unit was created to be responsible for the format and appearance of any publication produced in the Military Intelligence Service. It also disseminated intelligence approved by the Evaluation and Dissemination Staff. This last group had been established as the final evaluation and review authority for intelligence before it was disseminated to the Army. It passed on periodical items, monographs, studies, and similar reports.\textsuperscript{161}

This was the pattern of reorganization and growth in the military intelligence establishment during World War II.

In 1941, G-2 was a small organization. Under the impact of wartime expansion and development, it grew. In 1942 a new factor entered the picture in the form of a separate operat-

\textsuperscript{160} Ibid., p. 197.
\textsuperscript{161} Ibid., pp. 204–205.
ing agency, and during the next two years, an effort was made to mold the organization into a single intelligence producing and policy making agency. In the course of these efforts, the Military Intelligence Service tended to lose its identity. In 1944, it re-emerged as an intelligence operating and producing agency with definite functions and responsibilities. At the same time there was a struggle over the best method of organizing to produce intelligence. Thus, evaluation was, for a time, turned over to a Board which had as an additional function policy making. In 1944, a new method was devised by which intelligence was produced by supervised specialists who were aided by the research groups. All of the policy making activities were allocated to the Military Intelligence Division. But one fact must be borne in mind. This method was more easily devised in 1944 than at any previous time because by then the Military Intelligence Division had lost its counterintelligence functions. Prior to that time, the structure of the organization must include [sic] a provision for counterintelligence. With the loss of this function, it was possible to greatly simplify the organization and emphasize the importance of teamwork in the new Military Intelligence Division.182

While there was a War Department reorganization effective June 11, 1946, “the Intelligence Division (G–2) did much the same work as always.”183 As with the other armed services, the next great revision of military intelligence functions and organization would occur in 1947 with the establishment of the Department of Defense, the National Security Council, and the Central Intelligence Agency.

Two other outstanding units within the military intelligence network should be examined at this juncture: the Signal Corps’ cryptography group and the Allied Intelligence Bureau. The great importance of the former of these entities derived, of course, from the successful decipherment of the Japanese code.

A trickle of MAGIC in 1936 had become a stream in 1940. Credit for this belongs largely to Major General Joseph O. Mauborgne, who became Chief Signal Officer in October 1937.

Mauborgne had long been interested in cryptography. In 1914, as a young first lieutenant, he achieved the first recorded solution of a cipher known as the Playfair, then used by the British as their field cipher. He described his technique in a 19-page pamphlet that was the first publication on cryptography issued by the United States Government. In World War I, he put together several cryptographic elements to create the only theoretically unbreakable cipher, and promoted the first automatic cipher machine, with which the unbreakable cipher was associated.

182 Ibid., pp. 59–60.
When he became head of the Signal Corps, he immediately set about augmenting the important cryptanalytic activities. He established the S.I.S. [Signal Intelligence Service] as an independent division reporting directly to him, enlarged its functions, set up branches, started correspondence courses, added intercept facilities, increased its budget, and put on more men. In 1939, when war broke out in Europe, S.I.S. was the first agency in the War Department to receive more funds, personnel, and space. Perhaps most important of all, Mauborgne’s intense interest inspired his men to outstanding accomplishments. More and more codes were broken, and as the international situation stimulated an increasing flow of intercepts, the MAGIC intelligence approached flood stage.\textsuperscript{164}

When Mauborgne retired in September, 1941, being succeeded by Major General Dawson Olmstead, the cryptanalytic capability he had nurtured was commendable but, of course, in need of expansion and further refinement when war engulfed the nation two months later.

It multiplied its communications-intelligence manpower thirtyfold from its strength December 7, 1941, of 331—44 officers and 137 enlisted men and civilians in Washington and 150 officers and men in the field. Ever-growing requirements quickly dwarfed early estimates, such as the early one in 1942 that a staff of 460 would suffice, and kept up a relentless pressure for more and still more workers. Yet the agency faced stiff competition for them in manpower-short Washington. Moreover, the necessity for employees to be of unquestionable loyalty and trustworthiness, because of the sensitive nature of cryptanalytic results, and the importance of their being temperamentally suited to the highly specialized nature of the work, greatly reduced the number of prospects. To fill its needs, the agency launched a series of vigorous but discreet recruiting drives. It snatched people out of its school even though they were only partially trained; during the school’s entire time at Fort Monmouth, New Jersey, not one student completed the full 48-week course. It brought in members of the Women’s Army Corps—almost 1,500 of them. These measures enabled the agency to grow to a strength of 10,609 at its peak on June 1, 1945—5,565 civilians, 4,428 enlisted men and W.A.C.’s and 796 officers. (This figure excludes cryptologic personnel serving under theater commanders overseas.) Nevertheless, the personnel supply never caught up to the demand. In April, 1944, for example, the agency had more than 1,000 civilian positions empty.\textsuperscript{165}

Personnel growth, new functions, and the pressures of war also dictated new structure of the cryptological unit.

In June of 1942, owing to a reorganization in the Office of the Chief Signal Officer, the outfit shed its old name of Signal


\textsuperscript{165}Ibid., p. 316.
Intelligence Service and gained and lost three new ones within two months. Then from July, 1942, to July, 1943, it was called the Signal Security Service, and from July, 1943, to the end of the war, the Signal Security Agency. Lieutenant Colonel Rex Minckler, chief since before Pearl Harbor, was replaced in April, 1942, by Lieutenant Colonel Frank W. Bullock. In February, 1943, Lieutenant Colonel W. Preston (Red) Corderman, tall, husky, quiet, pleasant, who had studied and then taught in the S.I.S. school in the 1930s, became chief. He remained in the post to the end of the war, rising to a brigadier general in June, 1945.

Its population explosion and its voluminous output strained its administrative structure, and this was realigned several times. As of Pearl Harbor it was divided into four sections: the A, or administrative; the B, or cryptanalytic; the C, or cryptographic, and the D, or laboratory.166

While the B section broke ciphers and decoded messages, the C section devised new codes, ciphers, and related materials for the American military forces. In August of 1942 an E or Communications section was created by upgrading the “traffic” subsection of the cryptanalytic unit. In March, 1943, the six sections were elevated to branch status and by the following year a Machine Branch (mechanized coding/decoding operations) and an Information and Liaison Branch were added.167

In June of 1942, the Navy ceded all supervision and responsibility for Japanese diplomatic code solutions to the Army, surrendering both files and machinery at this time.168 In addition to its central coding/decoding operations in Washington, the Signal Intelligence Service established cryptanalytic units in various theaters of the war, received tactical, combat-level communications intelligence via the Signal Corps radio intelligence companies in the field, and maintained an active radio intercept program through the 2nd Signal Service Battalion (later the 9420th Technical Service Unit).

Though this set-up held until the war ended, operational control of the agency passed on December 15, 1944, to G-2, the military intelligence section of the War Department General Staff, which was the agency’s major customer and which, as such, for many months had indirectly guided its activities. The Signal Corps merely retained administrative control. This confusing arrangement—complicated further by the agency’s having both staff and command functions—ended in August, 1945, when the War Department transferred all signal intelligence units to agency control. On September 6, four days after the war ended, the War Department ordered the creation within G-2 of a new cryptologic organization by merging the Signal Security Agency, the field cryptanalytic units, and Signal Corps cryptology. This was the Army

166 Ibid., p. 317.
167 Ibid., p. 318.
168 Ibid., p. 315.
Security Agency, which came into existence September 15, 1945.\textsuperscript{169}

The Allied Intelligence Bureau, composed of combined Allied forces in the Pacific command zone of General Douglas MacArthur, was established at Brisbane, Australia, on July 6, 1942, under the auspices of his intelligence staff, headed by Major General Charles A. Willoughby. According to MacArthur's records which Willoughby has cited:

\ldots the history of the AIB is a secret, little-publicized but highly important chapter in the story of the Southwest Pacific. From the Solomons to Borneo, from Java to the Philippines, a small adventurous group of carefully trained specialists spread a network of observers and operatives behind the enemy lines well in advance of our main body. \ldots Operating in almost total isolation and normally without hope of outside support, every expedition was carried out in the face of great personal risk. If discovered by the enemy, the small parties were doomed to almost certain capture and probable death. In that event those who died quickly were fortunate. \ldots Jungle-wise "coastwatchers," with tiny radio transmitter-receiver outfits, remained behind as the Japanese invasion wave swept forward. \ldots From these few fearless men a powerful network of sea, air and ground spotters was developed until finally it became impossible for the enemy to make a single major move on the surface or in the sky without intelligence reports being flashed in advance to Allied forces. \ldots At the conclusion of the desperate Guadalcanal campaign, Admiral Halsey publicly stated that it was probable that the allies could not have retained their hard-won initiative on Guadalcanal Island had it not been for the consistent advance radio warnings by AIB agents of impending enemy air attacks.\textsuperscript{170}

The Bureau was headed by Colonel C. G. Roberts, an Australian, with Lieutenant Allison Ind, an American, as his deputy. The principal structural units included a British Special Operations ("sabotage and silent killing") group, a British radio monitoring outfit, the Netherlands Indies Forces Intelligence Service, an Australian propaganda group, and the Australian "Coast Watchers."\textsuperscript{171} MacArthur's records comment:

\ldots It was found necessary to adjust the organizational structure on a "geographic" rather than a purely "functional" basis primarily to protect and reconcile political sovereignties. A very interesting figure emerged in the often delicate negotiations, one Mr. Van der Plaas, a former Governor of Eastern Java, related to native princes, and a top-flight dip-

\textsuperscript{169} Ibid., p. 318-319.
lomat. His persuasive formula was the division of the vast Southwest Pacific along colonial lines, preserving the prewar status quo. Colonel Van S. Merle-Smith, G-2 Deputy who had handled million dollar New York corporations before the war, was just the tough hombre to cut his way through tropical ambitions.

The chiefs of the various AIB sections were placed under an Australian Comptroller who, in turn, was responsible to G-2 headquarters; an American Deputy Comptroller was inserted as the Finance Officer. Thus we retained a double check upon the Bureau and its elusive international components; a coordinating staff, consisting of liaison officers from each headquarters, was named to assist the organization.

Running true to form, though ostensibly under a single directorship, each of the sub-sections attempted to remain more or less autonomous, and continuous readjustments were necessary during the lifetime of the Bureau in order to achieve centralized control.172

The total manpower in the service of the AIB has been estimated at "several thousand individuals."173 More concrete statistics indicate 164 Bureau operatives lost their lives during the war while the fate of 178 other agents remains a mystery; 75 Bureau members were captured.174 While a precise date for the termination of the AIB is not available, it certainly had ceased operations by V-J Day.

VI. Naval Intelligence

Published accounts on the organization and operations of the Office of Naval Intelligence and its Marine Corps counterpart during World War II reveal very little about the structure and activities of these units. Generally, the Marine Corps collected and generated its own combat intelligence while ONI, which included Marines on its staff, had combat intelligence responsibilities for the Navy and strategic intelligence duties for both services. The Office of Naval Intelligence was initially organized on a geographic basis, then a functional scheme, and maintained units in each of the Naval Districts and principal fleet commands. It supervised naval attaches, naval observers, and liaison officers abroad. The Office apparently suffered from a fast turnover of Directors during the war years and was handicapped, as well, by a limited view on the part of the Chief of Naval Operations as to its role. According to one official history assessing the agency:

Arguments as to the scope of Naval Intelligence responsibility were frequent. The position taken by CNO during World War II was that Op-16 [a Navy acronym identifying ONI] was in effect a post office charged with forwarding Intelligence reports and other data to the activity in the Navy Department most likely to need and make use of the information; that Op-16 had neither the time nor the qualified personnel to search for obscure leads in the reports pointing to

172 Willoughby, op. cit., p. 148.
173 Ind, Allied Intelligence Bureau, p. vii.
enemy intentions with respect, for example, to new weapon developments or future operations. . . .

The process of evaluating and disseminating the information contained in Intelligence reports came in for investigation and some criticism by the Joint Congressional Committee that inquired into the attack on Pearl Harbor. It was brought out during the hearings that the Director of Naval Intelligence had authority to disseminate technical, statistical, and similar information received by his Office, but that he had no authority to evaluate certain aspects of military intelligence such as developing the enemy's intentions, nor to disseminate such information and its evaluation. These were responsibilities of the War Plans Division.

The questions asked, the conclusions reached, and the recommendations made by the Joint Congressional Committee, indicated the belief that the Director of Naval Intelligence should have had more authority to evaluate and disseminate information of that kind. The Naval authorities held, however, that the responsibility for developing enemy intentions from information gathered and analyzed by the intelligence service, and its dissemination must be left to the individual in the organization of the CNO responsible for war planning. It was in general held by the Navy Department that even the War Plans Officer could not be the final arbiter in some cases. The Chief of Naval Operations, the Secretary of the Navy, and even the President might have to make the final decision.

A measure of the pressing need for military intelligence in modern warfare was the increase in personnel employed on such work in CNO and in the field during World War II. In June 1938, about 60 officers and some 100 enlisted personnel and civilians were employed in the Naval Intelligence Division—Op-16. On 1 July 1945, the numbers stood at 543 officers, 675 enlisted personnel, and 330 civilians. The increase in the field was even greater. At Pearl Harbor, the Naval Intelligence unit at the time of the attack consisted of a few officers and enlisted personnel. At the peak during the war some 4,500 people were engaged on such work at Pearl Harbor.175

Special activities developed by the Office of Naval Intelligence during the war seem to be security investigation, intelligence training, and psychological warfare.

Three months before war broke out again in Europe in 1939, President Roosevelt issued an executive memorandum recognizing the Security Division as a functioning entity of ONI responsible for investigating espionage, counterespionage and sabotage.

Just as ONI's undercover agents were the first American investigators into Latin America in search of German spies

before this country entered World War I, the ONI was the first to deal with Japanese espionage before the FBI took over in World War II. At that time, the Navy was the only American agency with any degree of knowledge about Japan.

From the beginning of World War II, the rapidly expanding corps of investigators literally covered the waterfront. They checked on the backgrounds of naval civilian personnel in jobs involving the national security, investigated suspected cases of espionage and subversive activities, guarded against sabotage, uncovered fraud in the buying or selling of naval materials, traced security leaks and did the Navy's detective work on crime.

Security was their mission and protecting the naval establishment their goal. Not all threats to security, they found, need be related directly to enemy efforts. 

Development of the intelligence training organization and function must be credited to then (1942) Deputy Director of Naval Intelligence Ellis M. Zacharias, who later wrote:

Training of personnel was our primary problem, since we had only an inadequate intelligence school chiefly concerned with the preparation of officers for investigation duties, known as "gumshoe activities" among those in a belittling mood. Complaints heard in the field offices decided me to make training my number one project. Radical changes had to be made, and I took it upon myself to make them immediately.

The old school was abolished and two new schools were created: one in Frederick, Md., called the Basic Intelligence School, to introduce newcomers to the elementary principles and techniques of intelligence; and another, the Advance Intelligence School in New York, to train intelligence officers on an operational level. This second school grew out of the realization that Naval Intelligence in war has somewhat different tasks from those of Army Intelligence. The elements of ground combat and the problems which it raises are largely nonexistent in naval warfare, so that what the Army calls its combat intelligence has but limited application in the Navy. What we needed was operational intelligence, an activity between strategy and tactics providing in intelligence everything a commander might need to take his ships into combat or to conduct amphibious warfare. The immense mobility of fleets and the wide expanse of our watery battlefield necessitated a broadening of intelligence work, too; and we felt that our operational intelligence would take all these factors into consideration. We planned to train hundreds of operational intelligence officers by driving them through a hard curriculum compressed into a comparatively short time. We actually trained a thousand—and as I now look back upon this project, and the demands which soon poured in upon us, I feel that we were not disappointed in our expectations. My faith in Lieutenant (now Commander) John Mathis, USNR,

who headed this school, was well founded. His legal mind, pleasant personality, and keen investigative abilities gave me confidence. Ably assisted by an outstanding faculty of men high in the educational field, such as Lieutenant Richard W. Hatch, Lieutenant Garrett Mattingly, and others, the success of this undertaking was assured.177

It was also in 1942 that ONI embarked upon its psychological warfare effort, the first undertaking being a carefully programmed propaganda barrage designed to demoralize the German Navy. This was followed by similar campaigns against the Italian Navy and the Japanese. Always operating in extreme secrecy, the new unit made its initial broadcast on January 8, 1943.

The establishment of what we called the Special Warfare Branch (we feared that calling it Psychological Warfare Branch we should engender even greater hostility by opponents of everything psychological) was greeted with extreme enthusiasm by the Office of War Information, which then found cooperation with the armed forces a very difficult task. Elmer Davis, director of OWI, became our champion, and whenever attempts were made to abolish our branch, he pleaded with our highest echelons and borrowed time for us so that we could continue our activities.

We worked in the closest and most harmonious cooperation with OWI, which was the sole vehicle for the dissemination of our material. The broadcast recordings were prepared for OWI in a studio of the Interior Department then under the able direction of Shannon Allen, and manned with capable technicians. The broadcasts were put on the air by OWI seven times a day, three days a week from all outlets OWI then had in the United States, North Africa, and Great Britain. In addition we prepared for them a program called Prisoner-of-War Mail, an arrangement by which German and Italian prisoners kept in this country could send greetings to their relatives and friends in their homelands. This was the first such attempt made in the United States, and it yielded splendid propaganda results. We also worked with OWI in drawing up propaganda directives insofar as naval warfare was concerned, and this close cooperation proved that a military and a civilian agency could work together smoothly on what was undoubtedly an important military operation.178

Cryptanalysis operations were administered by the Office of Naval Communications and the information derived from these activities was shared with the Office of Naval Intelligence. Created in 1912 as the Naval Radio Service of the Bureau of Navigation, Naval Communications was attached to the newly created Office of the Chief of Naval Operations in 1915 as a coequal unit with ONI and was named the Communications Division some four years later. In the twilight before American entry into the war, an effort was made, in

178 Ibid., pp. 305–306.
May of 1941, to create a special communications intelligence monitoring capacity for the Pacific region.

In the middle of that month, the U.S. Navy took an important step in the radio intelligence field. It detached a 43-year-old lieutenant commander from his intelligence berth aboard U.S.S. Indianapolis and assigned him to reorganize and strengthen the radio intelligence unit at Pearl Harbor. The officer was Joseph John Rochefort, the only man in the Navy with expertise in three closely related and urgently needed fields: cryptanalysis, radio, and the Japanese language. Rochefort, who had begun his career as an enlisted man, had headed the Navy's cryptographic section from 1925 to 1927. Two years later, a married man with a child, he was sent, because of his outstanding abilities, as a language student to Japan, a hard post to which ordinarily only bachelor officers were sent. This three-year tour was followed by half a year in naval intelligence; most of the next eight years were spent at sea.

Finally, in June of 1941, Rochefort took over the command of what was then known as the Radio Unit of the 14th Naval District in Hawaii. To disguise its functions he renamed it the Combat Intelligence Unit. His mission was to find out, through communications intelligence, as much as possible about the dispositions and operations of the Japanese Navy. To this end he was to cryptanalyze all minor and one of the two major Japanese naval cryptosystems.

Subsequently, the Director of ONI was given an indirect role in the operations of this unit by simultaneously holding the position of Assistant Chief of Staff for Combat Intelligence in the Headquarters of Commander in Chief, United States Fleet, in charge of the Combat Intelligence Division. As with all other intelligence agencies, CID began to grow after the United States entered the war and struggled with the challenges of 1942.

By the next year, it had changed its name to Fleet Radio Unit, Pacific Fleet—FRUPAC, in the Navy's interminable list of acronyms. Rochefort had departed in October 1942, for two years of noncryptologic duties. He was replaced by Captain William B. Goggins, 44, a 1919 Annapolis graduate with long communications experience. Goggins, who had been wounded in the Battle of the Java Sea, remained as head of FRUPAC to January 1945. [Lieutenant Commander Thomas H.] Dyer continued to head cryptanalysis. Eventually FRUPAC comprised a personnel of more than 1,000. Much of the work was done in the new Joint Intelligence Center, housed in a long narrow building across Midway Drive from [Commander in Chief of the Pacific Fleet, Admiral Chester W.] Nimitz' headquarters perched atop a cliff overlooking Pearl Harbor. [Lieutenant Rudolph J.] Fabian, in Melbourne, directed a field unit similar to FRUPAC. He was on the staff of the Commander in Chief, 7th Fleet, which was

179 Kahn, op. cit., p. 8.
attached to MacArthur's South West Pacific Area command.

FRUPAC's growth mirrored that of all American cryptanalytic agencies. This expansion compelled OP-20-G [a Navy acronym identifying the agency] to reorganize as early as February 1942. The workload had become too heavy for one man (Commander Laurence F. Safford). The outfit was split up into sections for its three major cryptologic functions: (1) the development, production, and distribution of naval cryptosystems, headed by Safford; (2) policing of American naval communications to correct and prevent security violations; (3) cryptanalysis, headed by Commander John Redman. In September the development function was separated from the production. Safford retained control of the development work until the end of the war, devising such new devices as call-sign cipher machines, adapters for British and other cryptographic devices, and off-line equipment for automatic operation. About June, the Navy ceded Japanese diplomatic solutions to the Army, giving over its files as well as its PURPLE machine.180

While FRUPAC dealt with Japanese codes, only Washington—Naval communications headquarters—processed foreign diplomatic systems and naval ciphers used in the Atlantic theater, these being primarily German.181

The Navy's official designation of OP-20-G indicated that the agency was the G section of the 20th division of OPNAV, the Office of the Chief of Naval Operations, the Navy's headquarters establishment. The 20th division was the Office of Naval Communications, and the G section was the Communications Security Section. This carefully chosen name masked its cryptanalytic activities, though its duties did include U.S. Navy cryptography.

Its chief was Commander Laurence F. Safford, 48, a tall, blond Annapolis graduate who was the Navy's chief expert in cryptology. In January, 1934, he had become the officer in charge of the newly created research desk in the Navy's Code and Signal Section. Here he founded the Navy's communication-intelligence organization. After sea duty from 1926 to 1929, he returned to cryptologic activities for three more years, when sea duty was again made necessary by the "Manchu" laws, which required officers of the Army and Navy to serve in the field or at sea to win promotion. He took command of OP-20-G in 1936. One of his principal accomplishments before the outbreak of war was the establishment of the Mid-Pacific Strategic Direction-Finder Net and of a similar net for the Atlantic where it was to play a role of immense importance in the Battle of the Atlantic against the U-boats.

Safford's organization enjoyed broad cryptologic functions. It printed new editions of codes and ciphers and dis-

180 Ibid., pp. 314-315.
181 Ibid., p. 12.
tributed them, and contracted with manufacturers for cipher machines. It developed new systems for the Navy. It comprehended such subsections as GI, which wrote reports based on radio intelligence from the field units, and GL, a record-keeping and historical-research group. But its main interest centered on cryptanalysis.\textsuperscript{182}

Both Naval Intelligence and Naval Communications persisted as major agencies within the Office of the Chief of Naval Operations in the aftermath of World War II. It would appear that in 1972 cryptologic duties were transferred from the Naval Communications Command to the Naval Security Group Command, an entity created in 1970 to manage certain internal physical and operational security matters. In 1973, the Naval Communications Command became known as the Naval Telecommunications Command. The old Office of Naval Intelligence is currently called the Naval Intelligence Command.

\textit{VII. Civilian Intelligence}

During World War II various Federal civilian departments and agencies were involved in intelligence activities. Chief among these was the Justice Department. Units principally involved in intelligence included the Criminal Division, the War Division, the Immigration and Naturalization Service, and the Federal Bureau of Investigation. Responsible for prosecuting violators of all Federal criminal statutes except those within the jurisdiction of the Antitrust and Tax Divisions, the Criminal Division exhibited intelligence capability in its General Crimes Section, where cases regarding the illegal sale, manufacture, and wearing of armed forces uniforms and insignia, the harboring of deserters, the making of threats against the President, and the interference with any plant, mine, or facility in the possession of the government were prepared; its Internal Security Section, organized as the National Defense Section in the summer of 1940, where cases regarding espionage, sabotage, sedition, foreign agents, treason, censorship, and other aspects of internal security were prepared; and its War Frauds Unit, established on February 4, 1942, under the joint jurisdiction of the Antitrust and Criminal Divisions, to locate and prosecute persons guilty of frauds in the handing of war contracts.

The War Division, established on May 19, 1942, superseded the Special Defense Unit organized in the Office of the Attorney General in April, 1940. Ultimately abolished on December 28, 1945, it brought together a number of special bodies scattered among the Justice Department's regular components. Its principal substructures included the Special War Policies Unit, responsible for directing and coordinating activities of the Department of Justice relating to espionage, sabotage, sedition, subversive activities, and the registration of foreign agents. The Unit's Subversives Administration Section, working with the Federal Bureau of Investigation, directed investigations of, and organized the evidence relating to, subversive activities carried on by Nazi, Communist, and Fascist elements in the

\textsuperscript{182} Ibid., pp. 11-12.
United States, and recommended prosecutive and other actions. The Latin-American Section assembled information about and prepared reports on the control of subversive activities in the Latin-American countries. The Organizations and Propaganda Analysis Section collected, analyzed, and organized information on individuals, organizations, and publications in the United States that were considered to be seditious or potentially seditious. The Foreign Language Press Section made translations from and made reports on the foreign-language press of the United States.\textsuperscript{183}

The Economic Welfare Section, which originated as the Economic Section of the Antitrust Division in 1942, was transferred to the War Division on August 28, 1943. Its chief functions were to collect industrial information, prepare reports on enemy or enemy-controlled industrial organizations, and aid in making this information available for use in the economic warfare efforts of the Allies. In the fiscal year 1944 the Bureau of the Budget designated the Section as the central agency of the Government to carry out research in the field of international cartels. The Economic Warfare Section was dissolved at the end of 1945.

The objectives of the Section were: (1) To discover and analyze important intercompany connections among European and Far Eastern firms and the control of these firms by Germans and Japanese; (2) to analyze the means by which German and Japanese control could be eliminated; (3) to examine the legal problems that might arise because of the use of intercompany connections by the German and Japanese governments as a means of espionage and economic warfare; (4) to analyze intercompany agreements between foreign and American companies in order to determine their effects on American trade and commerce; and (5) to examine the effect of cartel agreements among foreign companies upon the trade, commerce, and business structure of Latin-American and other countries.

In carrying out these objectives, the Section made extensive investigations concerning bombing objectives and enemy potentials; engaged in studies of particular aspects of international cartels with emphasis on the techniques employed by the Germans to penetrate the economies of other countries, especially the United States and Latin-American countries; participated in the formulation of plans and prepared guides for the investigations of industrial combines in enemy or enemy-held countries during the period of occupation; and made studies of the efforts of enemy interests to obtain control of important assets in conquered areas and to screen their efforts in order to avoid the economic consequences of defeat.

The Section made analyses of the chemicals, iron and steel, nonferrous metals, electrical equipment and electronic devices, and the machinery and tools industries of Germany; the French, Swedish, Swiss, and other banking institutions that might have helped to establish and maintain German economic influence outside of Germany; the international control of certain commodities of international importance, such as tin, fats oil, and industrial diamonds; and the I. G. Farbenindustrie.

In the process of reviewing registration statements and analyzing the exhibits submitted by agents of foreign governments as required by law, the Foreign Agents Registration Section, transferred from the State Department on June 1, 1942, prepared reports of intelligence value on both individuals and organizations that had failed to comply with the registration requirement.

During the war, the Immigration and Naturalization Service "continued its peacetime function of administering the laws relating to the admission, exclusion, and deportation of aliens and the naturalization of aliens lawfully resident in the United States, and it had a special wartime responsibility for the registration and fingerprinting of all aliens in the United States." The Service had no investigators of its own until 1946 so it had to rely upon occasional assistance in this area from the Federal Bureau of Investigation. Nevertheless, its information holdings served an intelligence need.

The Federal Bureau of Investigation served as the primary investigative agency of the Justice Department during the war period. Its principal components included the Office of the Director, the Identification Division (fingerprints), the Security Division (investigation), the Technical Laboratory (analysis development and application), and the Training Division. In addition to its regular field force of agents within the domestic United States, the Bureau also had a special intelligence group in Latin America, South America, the Caribbean, Alaska, and Hawaii. This extension of operational jurisdiction, of course, created personnel problems.

The grave security responsibilities placed on the FBI in war forced [Director J. Edgar] Hoover to relax temporarily the rule that new agents had to have a law degree or be accountants. The Bureau had 2,602 agents when the United States went to war, with a total personnel of 7,420. Hoover immediately sent out orders to the field offices to begin interviewing graduates of the FBI National Academy who could meet all qualifications except legal training. The FBI had to be built up to handle the tremendous volume of work, and its agent force was increased to 5,072. The total personnel increased to 13,317 on the active rolls two years after the outbreak of war.

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186 *Ottenberg, op. cit.,* p. 213.
Ways were sought to supplement the Bureau's information gathering workforce. One innovation was attempted in defense plant production security.

Even before the United States entered the war, the FBI had, at the request of the Army and Navy, developed a system of cooperation with workmen in defense plants as a check against sabotage and slowdowns in plants with government war contracts. In World War I the Navy had initiated a plant protection program as a means of reducing the fires, explosions, accidents and labor frictions which affected war production, and the Navy plan had been adopted by the Army and the U.S. Shipping Board's Emergency Fleet Corporation. In 1931, the military agreed that in another emergency this work should be handled by the FBI.

It was through these specially designated workmen who furnished information to the FBI that it was possible to determine in hundreds of cases that accidents—not enemy sabotage—were responsible for damaged material, machinery and plant equipment. The informants were volunteers.

Another opportunity to garner supplementary personnel presented itself when the American Legion, in 1940, sought to organize an investigative force to ferret out subversives and seditionists. (These detection efforts were complicated by the fact that the United States was in a state of declared neutrality with regard to international hostilities at that time.) When the Legionnaires laid their plan before Attorney General Robert Jackson and were dismayed at this response that such investigative activities should be left to professional law enforcement agencies, Director Hoover came forth with a proposal of his own.

The FBI plan suggested a liaison arrangement between Post Commanders and Special Agents in Charge of field divisions for discussions of national defense problems. Whenever a Legionnaire was in a position to furnish confidential information about a particular problem, he would be designated to make reports to the FBI; but any investigation would be made by the FBI, not the Legionnaire.

The proposal was accepted by the American Legion at its conference in Indianapolis in November, 1940, and this acceptance laid the basis for the wartime cooperation between the FBI and the Legion. The Legion's cooperation was typical of the aid given the FBI by many civic, fraternal and professional groups.

The security program also included local law enforcement officers, who were drawn together for courses of instruction on such problems as convoy traffic, protection of public utilities, civil defense organization and the investigation of espionage, sabotage and subversion. The lessons taught were based largely on the British wartime experiences. These schools were attended by 73,164 law enforcement officers from 1940 to 1942.

188 Ibid., pp. 250-251.
From this security network the FBI received information not only from the military intelligence services, but also from workers in industry, the Legion, police officers and others who were mobilized for the war effort. Against this alignment, saboteurs made little headway.\textsuperscript{189}

The Bureau jealously guarded its intelligence functions and prerogatives, fought a number of agencies, including the Office of Strategic Services, for jurisdiction in these matters, vigorously opposed the concept of a new centralized intelligence entity during the closing months of the war, and otherwise emerged as a major intelligence institution in the aftermath of the international hostilities.

At the Department of the Treasury, three agencies or units had significant intelligence duties. With the entry of the United States into the war, the Secret Service took on additional responsibilities regarding the forgery and counterfeiting of the increased number of government securities and cheques as well as ration stamps and coupons. Presidential protection required extensive security plans and intelligence for the Chief Executive's trips abroad that involved journeys through areas subject to enemy air attack and for conferences in places where enemy agents and sympathizers were known to be present. In addition, the Secret Service also had certain responsibilities for the protection of distinguished wartime visitors to the United States, necessitating an improved intelligence capability regarding individuals or organizations of potential danger to the safety of such visiting dignitaries.

After the entry of the United States into the war, the Customs Service performed services with an intelligence potential for both the Treasury Department and other Federal agencies. These duties, which had a bearing upon intelligence matters, included assistance to "the State Department and the Foreign Economic Administration by investigating firms that applied for export licenses and by preventing the unlicensed export of any materials subject to export control," preventing "the entrance and departure of persons whose movements into or out of the country would be prejudicial to the interests of the United States," intercepting and examining "tangible communications carried by vessels, vehicles, and persons arriving from and departing to foreign countries to determine whether such documents contain matter inimical to the interests of the United States or helpful to its enemies," participation in certain measures for the protection of domestic ports and vessels therein against sabotage and espionage, and furnishing "the War Department with statistical information on the import and export of strategic war materials."\textsuperscript{199}

The Division of Monetary Research, established on March 25, 1938, supplied information and intelligence to assist the Secretary of the Treasury and other departmental officials in formulating and executing international financial policy. In addition to its analytical units—the Foreign Commercial Policy Section, the International Statistics Section, and the Foreign Exchange and Controls Section being of primary intelligence interest—the Division maintained representatives in

\textsuperscript{189} Ibid., pp. 252-253.
\textsuperscript{199} General Services Administration, op. cit. (Vol. 1), pp. 754-755.

These offices conducted financial studies and participated in financial planning in the areas for which they had responsibilities, provided representation on combined Allied boards and committees and financial advisers to diplomatic missions, and represented the Foreign Funds Control abroad. In such places as Lisbon and Stockholm the Treasury offices served also as confidential listening posts for gathering information important for the operation of several agencies of the United States Government. All of the offices were responsible for collecting financial intelligence. The offices of Treasury attaches, which were closely associated with the offices of Treasury representatives, were concerned only with the collection and analysis of information on customs matters. Both classes of offices were administratively considered as field offices of the Division of Monetary Research.

Besides staffing these offices, the Division detailed personnel to the War and Navy Departments to furnish financial advice and aid to military authorities outside the United States. The officers thus detailed were usually organized into "teams" or "missions" that were attached to the military headquarters in each theater of action or occupation.191

Normally a Treasury Department agency, the United States Coast Guard, in accordance with the provisions of its organic act (38 Stat. 800), was transferred (E.O. 8929) to the Navy Department for wartime service in 1941 and returned (E.O. 9666) to Treasury Department jurisdiction on January 1, 1946. An Intelligence Division had been established at Coast Guard Headquarters in 1936. Administration of intelligence responsibilities was conducted through fifteen district offices and special field units.

Coast Guard Intelligence, now formally provided for in the Coast Guard regulations and organization manual, drew additional duties and manpower with the coming of war. It was responsible for anti-sabotage and counterespionage on the waterfront as well as security screening of merchant marine personnel and longshoremen. It became involved in the search for the Nazi saboteurs after a Coast Guardsman spotted them wading ashore with their boxes of dynamite on an isolated Long Island beach. It was charged with investigating Coast Guard military and civilian personnel for internal security and breaches of discipline. The Intelligence Division's wartime force grew to 370, of which 160 were investigators.

Its wartime achievements on the home front were in the field of prevention. In World War I, Black Tom Island in New York harbor, major transfer point for supplies shipped to Europe, had been virtually destroyed by dynamite and German saboteurs were busy on a dozen fronts. But during

191 Ibid., pp. 770-771.
World War II, there was not a single known instance of foreign-inspired sabotage on vessels or waterfront facilities which the Coast Guard was responsible for safeguarding.

Since World War II, the Intelligence Division, reduced to a peacetime force of 70 investigators, has been mainly concerned with port security, keeping subversive elements out of the Merchant Marine and off the waterfronts, enforcing Coast Guard laws and insuring the internal security of the Coast Guard.\(^{128}\)

While the Department of State received a variety of information with an intelligence potential from special overseas missions, roaming diplomats, and foreign service officers during the war, its intelligence production capability was limited by the lack of personnel specifically responsible for intelligence collection, a decentralized organization which dispersed the intelligence function, and personal presidential intervention in foreign policy matters which prompted the creation of special units serving intelligence functions and reporting directly to the Chief Executive on foreign intelligence concerns. Organizational problems resulting from dispersed war programs administration began in the spring of 1941 with the implementation of the Lend-Lease Act (55 Stat. 31).

This act and other acts relating to the importation of strategic commodities, the control of financial transactions, the establishment of priorities and allocations, and other "foreign economic warfare" programs not only had a profound effect on the general direction of United States foreign policy and the position of the United States in world affairs but also brought about a vast expansion in the Department's foreign activities and personnel. This expansion occurred chiefly in connection with the following activities: (1) The operation of the lend-lease program, involving the negotiation of lend-lease agreements, the supplying of materials under these agreements to the Allies and other eligible countries, and the procurement of additional foodstuffs and raw materials for the manufacture of lend-lease goods; (2) the procurement abroad of additional foodstuffs and strategic materials needed by the United States for its own war program; (3) the control of exports of goods and funds in order to prevent their shipment directly or indirectly to the Axis countries and to conserve materials needed for the war program of the United States; (4) the distribution abroad of information concerning the United States, its policies, and its military activities in order to combat enemy propaganda; (5) the promotion of the cultural-relations program of the United States on a larger scale, especially in the other American Republic; and (6) the conduct of the political and diplomatic phases of the war, especially those phases related to maintaining the Allied coalition and developing the United Nations Organization.

Except for the last-named activity, the Department was responsible for supervising and coordinating the programs but did not undertake to carry out their operational phases.

Instead, the following war agencies were established to plan and effectuate the programs relating to lend-lease, preclusive buying, foreign propaganda, cultural relations, and intelligence procurement: The Office of Lend-Lease Administration and the Board of Economic Warfare (later the Foreign Economic Administration), the Office of War Information, the Office of the Coordinator of Inter-American Affairs, and the Office of Strategic Services. These new agencies were required by the President to conform to the foreign policy of the United States as defined by the Secretary of State, and their field representatives, except those of the Office of Strategic Services, were responsible to the chiefs of the Foreign Service establishments in their areas. As the war progressed all foreign-relations work tended to be centered in the Department. It absorbed the long-range cultural programs of the Office of the Coordinator of Inter-American Affairs in 1943, prepared the way for the absorption of the continuing functions of the above-named war agencies at the close of the war by creating offices to perform related activities, assisted in the planning that led to the establishment of the United Nations Relief and Rehabilitation Administration, and provided overseas military commanders with political advisers to help them govern liberated areas in accordance with the foreign policy of the United States.\(^3\)

Against this background, the State Department does not appear to have been a major intelligence producer during the war. It would seem that, in many regards, the Office of Strategic Services, the Office of War Information, the Office of Censorship, the Board of Economic Warfare, and the armed services intelligence organizations supplanted the Department in many areas of intelligence activity. Nevertheless, State did have an intelligence capability and those entities involved in such operations are profiled.

On November 22, 1940, a semi-secret Division of Foreign Activity Correlation was established, appearing two years later as a unit within the Office of the Assistant Secretary of State for Finance, Aviation, Canada, and Greenland. A departmental order of October 31, 1941, indicated the Division "was directed to interview all foreign political leaders promoting movements in the interests of their peoples and committees of foreign-born groups visiting the Department, and to give information on their activities and obtain all possible relevant information regarding their purpose, organization, and membership."\(^4\) Such information, when obtained, would seemingly have intelligence value.

Within the Office of the Assistant Secretary of State for Economic Affairs (previously the Office of the Assistant Secretary of State for Commerce and Trade) two divisions reflected an intelligence potential in their activities. The Division of World Trade Intelligence was established in the Department on July 21, 1941, to handle State Department responsibilities pertaining to the Pro-

\(^3\) General Services Administration, op. cit. (Vol. 1), pp. 691-692.

claimed List of Certain Blocked Nationals. The Division was at first under the direct supervision of Assistant Secretary Dean Acheson but later became a part of the Board of Economic Operations and successor economic offices. On March 1, 1945, it was renamed the Division of Economic Security Controls and as such became a part of the Office of Economic Security Policy on October 20 of that year. Its functions remained substantially the same throughout the war and included the application of the recommendations of the Inter-American Conference on Systems of Economic and Financial Control (except with respect to the replacement or reorganization of Axis firms), and the collection, evaluation, and organization of biographic data.\(^{196}\)

The Division of Commercial Policy (previously the Division of Commercial Treaties and Agreements, when established on July 1, 1940, and then renamed the Division on Commercial Policy and Agreements on October 7, 1941) "included correspondence and contacts with American export-import interests and making arrangements with the foreign representative negotiating for supplies."\(^{196}\)

Information derived from these activities would seemingly have intelligence value regarding the structure of the export-import business community, its ties to the Axis powers and to the Soviet Union, and the determination of strategic materials being commercially imported by those regimes.

One other intelligence unit maintained, in part, by the State Department was the Economic Warfare Division of the United States London Embassy and Consulate General.

The Economic Warfare Division was established in the Embassy in London in March 1942 and remained in existence through June 1945. Its professional staff consisted of representatives of various United States military and civilian agencies, its top personnel being drawn to a large extent from the Foreign Economic Administration and the Office of Strategic Services.

Although the Division was created to serve as a liaison channel between agencies of the United States Government concerned with economic warfare and the British Ministry of Economic Warfare, it soon became an important operational organization. Its principal functions during most of the war were to restrict trade benefiting the enemy by means of blockade control (working with the several sections of the Anglo-American Blockade Committee) and neutral country trade control; to gather enemy economic intelligence; and to assist in strategic bombing activities. By March 1945 it was concerned with postwar occupation problems. It began to gather data on "Safehaven" operations (the prevention of enemy property from finding a safe haven in neutral territory); to develop plans to recover and restore enemy loot; to prepare studies on the German economy; and to collect and exploit

\(^{196}\) General Services Administration, op. cit. (Vol. 1), p. 718.

\(^{196}\) Stuart, loc. cit.
captured enemy records through the Combined Intelligence Objectives Subcommittee and the United States Technical Industrial Intelligence Subcommittee. When the Division was abolished in the summer of 1945, its functions relating to neutral trade and "Safehaven" objectives were transferred to the United States Mission for Economic Affairs in London. Certain residual functions were assigned to the Office of the Economic Minister Counselor of the Embassy.197

The Department had its own cryptographic unit, known since January of 1931 as the Division of Communications and Records. Located within the Office of the Assistant Secretary of State for Administration (previously the Office of the Assistant Secretary of State/Fiscal and Budget Officer: Administration of Department and Foreign Service), the component's cryptographic responsibilities included code construction, the development of procedures and methods for using same, the selection of code equipment, and the maintenance of the security of information transmitted by means of cryptographic systems. Although the Division had no cryptanalytic function, it was, nevertheless, an immense organization at the time of America's entry into the war.

The Division of Communications and Records was now by far the largest agency in the Department: its telegraph section had a chief, an assistant chief, two supervisors, and 107 clerks; its telephone section, a chief operator, assistant chief operator, and thirteen operators; the records section, divided into seven sections—general, immigration, passport, personnel, political, mail, and war trade board—numbered, together with its supervisor, assistants, chiefs, assistant chiefs, clerks, and messengers, 269, making a total personnel of 393. The cost of the telegraph messages alone amounted annually to almost $500,000. In the fiscal year 1940–1941, about 1,125,000 pieces of correspondence passed through the division, and in 1941–1942 this was almost doubled. This division, which worked twenty-four hours a day and 365 days a year, put in annually over 21,000 hours of unpaid overtime.198

By the end of 1943, however, the Division experienced a severe breakdown in its operations.

The war had almost demoralized the work of this division. Owing to the low salaries paid to its personnel and the pressure of work which constantly necessitated overtime, the Division of Communications and Records had long been very unpopular with its employees. A survey of salaries indicated that from 1936 to 1940 the Department of State personnel had received an average salary increase of 5.91 percent, while the increase in the Division of Communications and Records was only 0.51 percent; in other words, the Department's average increase was eleven times greater than that of the Division of Communications and Records. As a result of the

198 Stuart, op. cit., p. 363.
low morale, the work of the division was unsatisfactory and under constant criticism. Incoming communications were delayed in distribution, papers were misplaced or lost, and inadequate records made it difficult to locate them. Serious errors were made in the code room. Backlogs existed in every section. It was customary to have approximately 15,000 documents in the records branch which were neither indexed nor listed on the purport sheets. The vitally important telegraph section was on several occasions as much as two days behind in the coding and decoding of messages. The first requirement insisted upon by Mr. [Raymond H.] Geist [Division Chief] was a complete reclassification of positions so that salaries commensurate with the work might be available. This was begun immediately and resulted in a considerable improvement in speed and accuracy. The other requirement was an improvement of the procedure within the division.

The huge backlog in the telegraph section required emergency action. The War Department was asked to help out, and twenty enlisted men trained in cryptography were loaned temporarily, and within forty-eight hours the backlog of 200,000 words, or groups of words, was completely eliminated. Thereafter, from six to eight code clerks from the War Department remained to keep the work current. As soon as possible, high-speed equipment was added to eliminate the slow, cumbersome manual labor of decoding. For example, a machine will decode about 20 words, or word groups, per minute as against 2.7 to 3 words manually, and the results are more accurate. Working conditions were improved. Air conditioning made it possible to endure the heat generated by the mechanical cipher devices. Fluorescent lights reduced the percentage of error. The average time required for a massage in the code room was reduced from forty-eight to six hours. The introduction of airgrams also helped materially in reducing the strain in the code room.199

On September 22, 1944, a new Division of Cryptography was established, concentrating entirely upon cryptographic and related communications functions.

At the Commerce Department, the Bureau of Foreign and Domestic Commerce "provided commercial information to various Government agencies, making special studies and reports for them; it acted as a major fact-finding organization in the field of foreign commerce for the Foreign Economic Administration. . . ." 200 The Coast and Geodetic Survey provided charts, maps, tidal data, and geodetic and coastal survey services to the intelligence community. The National Bureau of Standards "abandoned many of its normal activities in order to handle research and testing projects for other Government agencies," some of which are thought to have been of intelligence interest. The War Division of the Patent Office "directed the search of applications for inventions in categories deemed of importance by Government war

199 Ibid., pp. 385-386.
[including intelligence] agencies." The Weather Bureau, of course, made its own unique contribution to intelligence activities when its assistance was requested. And at the end of the war, within the Office of Technical Services established by a departmental order on September 18, 1945, the Technical Industrial Intelligence Division continued the functions of the Technical Industrial Intelligence Committee, which was originally set up [under the Joint Intelligence Committee] by the Joint Chiefs of Staff and was transferred to the Department of Commerce on December 18, 1945. It conducted intensive searches in enemy and other foreign countries to locate personnel, documents, and material from which technical and scientific industrial information that was developed especially during World War II might be obtained; it studied processes, methods, and techniques useful for obtaining such information; and it analyzed and appraised the information obtained to determine its possible usefulness to business and industry in the United States.

At the Department of Agriculture, the Agricultural Research Administration developed information regarding food production and war-created scarcities within both the United States and enemy held territory overseas. The Bureau of Agricultural Economics produced similar information pertaining to demand and supply, consumption, prices, costs and income, marketing, transportation, labor, agricultural finance, farm management, credit, taxation, land and water utilization, and other aspects of agricultural production and distribution.

In order to unify and consolidate the administration of governmental activities relating to foreign economic affairs, the Foreign Economic Administration, known also as FEA, was established by an Executive order [E.O. 9380] of September 25, 1943. The functions, personnel, and records of the Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations of the Department of State, and the foreign economic operations of the Office of Foreign Economic Coordination of the Department of State were transferred to the Administration. By an Executive order [E.O. 9385] of October 6, 1943, "the functions of the War Food Administration and the Commodity Credit Corporation with respect to the procurement and development of food, food machinery, and other food facilities, in foreign countries" were also transferred to the Foreign Economic Administration. And as military operations permitted, the Administration assumed "responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying the requirements of and procuring materials in such areas."

201 Ibid., p. 881.
The Foreign Economic Administration was thus responsible for the wartime functions of export control, foreign procurement, lend-lease, reverse lend-lease, participation in foreign relief and rehabilitation, and economic warfare, including foreign economic intelligence. Its activities were required to be in conformity with the established foreign policy of the Government of the United States as determined by the Department of State.203

There were three predecessors to the Foreign Economic Administration which had responsibility for apprising the Chief Executive of developments weakening or endangering the international economic status of the United States during the period of world war. In July, 1941, the President had created (E.O. 8839) the Economic Defense Board "for the purpose of developing and coordinating policies, plans, and programs designed to protect and strengthen the international economic relations of the United States in the interest of national defense." Within the Board’s four geographic divisions—American Hemisphere, British Empire, Europe and Africa, Far East—information available to existing government agencies and private commercial enterprises concerning the economic organization capabilities, and requirements of the foreign countries within each unit's area of responsibility was obtained and analyzed.

On December 17, 1941, the name of the agency was changed (E.O. 8982) to the Board of Economic Warfare and it was subsequently given (E.O. 9128), among other added responsibilities, the duty to "advise the State Department with respect to the terms and conditions to be included in the master agreement with each nation receiving lend-lease aid;" to “provide and arrange for the receipt by the United States of reciprocal aid and benefits” from the government’s receiving lend-lease; and to “represent the United States Government in dealing with the economic warfare agencies of the United Nations for the purpose of relating the Government’s economic warfare program and facilities to those of such nations.” All of this meant that the Board had to develop appropriate information about those nations requesting lend-lease aid to determine if the grant was justified by conditions in that country. The agency also had some responsibility for deciding what strategic materials would be imported into the United States. Such information, of course, had a great intelligence potential. To assist in these matters, the Board arranged through the State Department to send technical, engineering, and economic representatives abroad.

By a directive (E.O. 9361) of July 15, 1943, an Office of Economic Warfare was established within the Office for Emergency Management, a wartime superstructure agency in close proximity to the President, and its director assumed the functions, powers, and duties of the Board of Economic Warfare which was terminated by the same order. Lasting about six weeks, the Office of Economic Warfare operated and was organized in approximately the same manner as the old Board. A directive (E.O. 9380) of September 25 consolidated the Office and certain other agencies, together with their personnel and

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203 Ibid., p. 636.
records, into the Foreign Economic Administration which was created by the same order.

Foreign economic intelligence was prepared within the Foreign Economic Administration by the Bureau of Areas, consisting of an Office of the Executive Director and six branches—Pan American, British Empire and Middle East, European, U.S.S.R., Far East and Other Territories, and Enemy. All but the last were involved in assessing the economic warfare of Allied nations. The Enemy Branch was responsible for planning the economic program to be put into effect when the enemy countries should be occupied. It prepared studies and reports on the industrial disarmament of the enemy, including analyses of the entire economic structure of the Axis countries. Its staff units and divisions were functional in nature and gave their attention to problems relating to the industrial disarmament, external economic security, reparations and restitutions, requirements and allocations, food and agriculture, foreign trade, consumers’ economy, property control, transportation and communications, and industry of the countries to be occupied. The Branch cooperated closely with the Technical Industrial Intelligence Committee, a subcommittee of the Joint Intelligence Committee of the Joint Chiefs of Staff.204

With the end of hostilities in Europe and Asia, the necessity for such an agency ceased to exist.

By an Executive order [E.O. 9630] of September 27, 1945, the Foreign Economic Administration was abolished and its remaining functions were divided among five other agencies. To the State Department were transferred the functions pertaining to lend-lease activities and to liberated areas and occupied territories, as well as responsibilities for economic and commercial research and analysis and for the participation by the United States in the United Nations Relief and Rehabilitation Administration. To the Reconstruction Finance Corporation were returned three corporations that had been taken over from it by the Office of Economic Warfare on July 15, 1943, and the functions relating to the procurement abroad of all commodities except food. The Export-Import Bank of Washington became again an independent agency as provided by an act of July 31, 1945 (59 Stat. 527). The Department of Agriculture received the functions pertaining to food and to food machinery and other food facilities, including those of the Office of Food Programs. The functions pertaining to the control of exports, technical industrial intelligence, and the facilitation of trade, and all other functions not assigned to the other agencies named above, were transferred to the Department of Commerce.205

Two special intelligence units were established at the Federal Communications Commission. The first of these, the Radio Intelligence Division,

204 Ibid., p. 651.
205 Ibid., p. 687.
established on July 1, 1940, as the National Defense Operations Section of the Field Division of the Engineering Department, developed in the early years of the war into the largest single part of the Commission's staff. Under its direction monitoring stations, strategically located throughout the United States and its Territories and possessions, kept all radio communication channels under continuous surveillance. This surveillance was primarily aimed at preventing radio communication with the enemy abroad and the illegal use of radio at home.

In addition to its monitoring stations the Division had radio intelligence centers at Honolulu, San Francisco, and Washington, D.C., which coordinated the reports in their respective areas concerning radio surveillance and direction-finding activities and enemy and illegal radio operations. It also had mobile coast units that supplied a comprehensive mobile radio surveillance extending throughout the coastal areas of the Western, Eastern, and Southern Defense Commands. At Washington headquarters, units of the Division prepared and distributed abstracts of the intercepted messages for the Chief Naval Censor, the Chief Signal Officer, the Weather Bureau, and the Coast Guard; plotted on maps the locations of unidentified, clandestine, and illegal stations; translated foreign language "intercepts" into English; and provided full investigatory services.

The Division picked up SOS calls and reports of submarine attacks and relayed them to naval stations; furnished "fixes" to locate lost airplanes, ships in distress, or stations causing interference to vital military circuits; intercepted enemy radiotelegraph intelligence covering economic conditions, war production, materials, supplies, morale, and other pertinent data; trained personnel of other Government agencies in direction-finding, detection and monitoring, and the evaluation of "fixes." Its function differed from that of the Foreign Broadcast Intelligence Service in that it intercepted messages that were sent in radiotelegraph code to specific points as distinguished from broadcasts of enemy for purposes of propaganda.896

In addition, the Foreign Broadcast Intelligence Service, established as the Foreign Broadcast Monitoring Service in February 1941, recorded, translated, analyzed, and reported to other agencies of the Government on broadcasts of foreign origin. It set up listening posts at Silver Hill, Md., London, San Francisco, Portland, Oreg., Kingsville, Tex., San Juan, P.R., and other places to intercept broadcasts of foreign news, intelligence, or propaganda emanating from authorized stations and clandestine transmitters in belligerent, occupied, and neutral countries. At the listening posts, translations of the intercepted broadcasts were made and immediately tele-typed or cabled to Washington headquarters. Some broadcasts

896 Ibid., pp. 937-938.
were also recorded on disks. At Washington, incoming wires and transcriptions were edited and the more significant parts, or the full texts, were teletyped to the Government agencies that were waging war on the military, diplomatic, and propaganda fronts. Special interpretations and daily and weekly summaries were prepared at headquarters and distributed to appropriate Government agencies and officials. Through cooperative arrangements with the Office of War Information, the British Ministry of Information, and the British Broadcasting Corporation, editors of the Service were assigned to overseas posts maintained by those agencies to select material valuable for transmission to Washington. Editors and monitors of the Service acted as part of the Army Psychological Warfare Branch in North Africa when Allied troops were landed there in 1943. On December 30, 1945, the Service was transferred to the War Department.

The Office of War Information, established within the Office for Emergency Management by a director (E.O. 9182) of June 13, 1942, consolidated (the Office of Facts and Figures, the Office of Government Reports, the Division of Information of the Office for Emergency Management, and the Foreign Information Service's Outpost, Publications, and Pictorial Branches of the Office of the Coordinator of Information) into one agency war information functions of the Federal government, both foreign and domestic. The unit's intelligence functions included psychological warfare, both its development and effects, and the collection of overseas media—print, film, and radio.

In general, the Office consisted of two principal branches: Domestic Operations and Overseas Operations. A Policy Development Branch was established in the initial organization but lasted only until September when it was absorbed by the Domestic Operations Branch. Within the Domestic Operations Branch, in addition to the media clearance and production bureaus (Book and Magazine, Graphics, Motion Picture, News, and Radio) there were two intelligence entities: the Foreign News Bureau and the Special Services Bureau. The former was established in March 1944, taking over the functions and records of the Foreign Sources Division of the News Bureau. Its main function was to provide the American press, radio commentators, and other news outlets with war information obtained from foreign sources available only in a limited way, if at all, to nongovernmental agencies. To this end it used monitoring services, excerpts from the press of occupied and enemy countries, and special reports from overseas. A special unit handled releases to the religious and educational press. The Bureau served as a receiving and distributing agent for all pooled press copy from overseas war theaters. Other functions included the analysis of enemy propaganda techniques.

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297 Ibid., pp. 938–939.
298 Ibid., p. 564.
On the other hand, the Special Services Bureau continued functions begun in the Office of Facts and Figures and the Office of Government Reports. The Bureau was responsible for providing specialized informational services to all agencies and for providing the general public with a centralized source of information concerning Government activities, organization, and personnel. Its Division of Educational Services, which provided informational material for discussion groups and helped to coordinate the educational activities of war agencies, and its Division of Surveys, which conducted public opinion and other surveys, were terminated early in 1944. The Divisions of Press Intelligence, Public Inquiries, and Research continued until August 31, 1945, when the Bureau’s remaining functions and records were transferred to the Bureau of the Budget. The following year they were again transferred to the temporarily reconstituted Office of Government Reports.200

Within the Overseas Operations Branch, in addition to its propaganda and news production, distribution, and analysis bureaus (Communications Facilities, News and Features, Overseas Motion Picture, Overseas Publications, and Radio Program), there was an administrative support unit—the Output Service Bureau—and the Bureau of Overseas Intelligence.

The Bureau of Overseas Intelligence, originally known as the Bureau of Research and Analysis, maintained a central intelligence file, kept a running audit of the reliability of intelligence sources, and provided all sections of the Overseas Operations Branch with information necessary to their activities. Until late in the war it functioned through the Current Liaison Division, which maintained liaison with the Department of State, the Military Intelligence Service, the Office of Naval Intelligence, the Branch’s Overseas Planning Board in Washington and operational intelligence offices elsewhere, and other agencies; the Analysis Division, which classified and analyzed intelligence from the foreign press, radio broadcasts, intercepted communications, and other sources and cooperated closely with the Foreign Broadcast Intelligence Service; and the Field Intelligence Division, which directed the collection and distribution of intelligence from outposts. In 1944 the Bureau was recognized and thereafter functioned through the Central Intelligence Division, the Regional Analysis Division, and a special research unit known as the Foreign Morale Analysis Division. . . .210

The Foreign Morale Analysis Division referred to above was established in the spring of 1944 under a cooperative arrangement with the Military Intelligence Service of the War Department General Staff to provide information about the morale of the Japanese and social conditions within Japan. Its

200 Ibid., p. 560.
210 Ibid., p. 566.
work was performed by two groups, one in the Office of War Information and the other in the War Department. The first group translated and analyzed materials available through nonmilitary sources, such as Japanese publications and transcripts of Japanese broadcasts, while the War Department group analyzed materials received from military sources, especially prisoner-of-war interrogation reports and captured enemy documents. By the spring of 1945 the cooperative unit was also known as the Joint Morale Survey and was divided into the Morale Research Unit (OWI) and the Propaganda Section (mainly Army), which was concerned primarily with the analysis of Japanese radio propaganda. The results of the research were presented to interested officials by means of formal reports and special memoranda and in formal and informal conferences. The reports ranged from over-all studies of military morale and the effects of Allied propaganda to special studies of subjects investigated upon request.211

In addition to its central Washington headquarters, the Office of War Information maintained offices in New York and San Francisco for the performance of certain of its functions. In addition to various shifting outposts overseas, a major control facility was established in London. On V-E Day the Office counted 38 outposts in 23 countries; the agency had no jurisdiction in Latin America. And with the termination of world hostilities, OWI came to an end.

The Office of War Information was terminated by an Executive order [E.O. 9608] of August 31, 1945, to become effective September 15, 1945. The Overseas Operations Branch, including its executive and security Offices in New York and San Francisco, the Office of the Assistant Director for Management, and the Office of General Counsel, were transferred with their records to the Interim International Information Service of the Department of State, which was established by the same order. On January 1, 1946, these units became a part of the Office of International Information and Cultural Affairs of the Department of State. The functions and records of the Special Services Bureau were transferred from the Domestic Operations Branch to the Bureau of the Budget, where they remained until they were transferred by an Executive order of December 12, 1946, to the reconstituted Office of Government Reports.212

The Office of Censorship, created by a directive (E.O. 8985) of December 19, 1941, had responsibility for censoring communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country. Deriving its basic operating authority from the First War Powers Act of 1941 (55 Stat. 840), the Office conducted its work

in some 20 postal stations and 17 cable stations throughout the country in accordance with standards of censorship estab-

211 Ibid., pp. 566–567.
212 Ibid. 548.
lished by the Washington office. Commissioned officers of the Navy performed cable censorship operations throughout the war, but postal censorship, which was at first carried on by commissioned officers of the Army, was transferred to civilian officials early in 1943.213

Internally, the Office was organized into seven divisions: Press, Broadcasting, Postal, Cable, Administrative, Reports, and Technical Operations. With regard to intelligence matters, the Reports Division "classified and delivered to interested Government agencies the various types of submission slips made in the process of censorship." 214

The Technical Operation unit was created in August 1943 to perform the work of the Office of Censorship in the field of counterespionage. It maintained close liaison with the intelligence agencies of the Government and supervised the work of censorship laboratories in combating the use of secret inks and developing techniques for detecting codes and ciphers. Through its efforts the Office of Censorship was able to hinder the effectiveness of the enemies' secret communications. On the basis of evidence uncovered by the Division the Federal Bureau of Investigation built up espionage cases leading to the conviction and punishment of a number of Axis agents.215

As with the other temporary wartime agencies, the Office of Censorship ceased operations with the end of world war.

A Presidential directive of August 15, 1945, instructed the Director of Censorship to declare voluntary press and radio censorship at an end and to discontinue the censorship activities of the Office of Censorship. An Executive order [E.O. 9631] of September 28, 1945, provided that the Office should continue to function, for purposes of liquidation only, until November 15, 1945, at which time it should be terminated. The Treasury Department took over responsibility for completing the liquidation of the affairs of the Office.216

These were the principal Federal departments and agencies recognized to have exhibited a capacity for intelligence operations during World War II. This is not a definitive collection of such intelligence entities depicted here. Undoubtedly arguments could be made for the inclusion of other units whose intelligence capacity was not immediately apparent in this research or which otherwise had secret intelligence functions. However, such exceptions, in all likelihood, will be most unusual omissions.

VIII. Post-war Adjustment

In the aftermath of the war, two not indistinct realizations were experienced within the Federal intelligence community: the loss of the Office of Strategic Services and the need for some type of coordinating
and/or leadership mechanism within the postwar intelligence structure. Viewing OSS as a wartime necessity, President Truman, anticipating criticism for the continuation of the agency when world peace had been restored, hastily abolished this entity in a directive (E.O. 9621) of September 20, 1945, effective ten days later. The result was that the new Chief Executive and his aides were suddenly denied the valuable intelligence produced by this unique and effective organization and experienced this loss at a time when summit conferences among the major world powers gave increased impetus for its availability.

The General Staff, Joint Intelligence Committee, and Combined Intelligence Committee experiences during the war prompted interest at the highest defense policy and organization levels in an improved intelligence coordination mechanism. A centralized intelligence agency had been proposed during World War I by Treasury Secretary William McAdoo.217 OSS Director William Donovan had also proposed such an entity in 1944.218 To serve this intelligence coordination function, the President issued a directive (11 F.R. 1337, 1339), dated January 22, 1946, establishing a National Intelligence Authority with a support staff called the Central Intelligence Group. Addressed to the Secretaries of State, War, and Navy, this instrument said:

1. It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof.

3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:
   a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.
   b. Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies

217 See Chapter 2, [165].
218 See Chapter 3, pp. [224–227].
and objectives as will assure the most effective accomplishment of the national intelligence mission.

c. 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.

d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under this directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

8. Within the scope of existing law and Presidential directives, other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.

10. In the conduct of their activities the National Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods.

While this arrangement may have facilitated the coordination of intelligence matters, the Central Intelligence Group was incapable of ever approaching the scope of operations achieved by the OSS. Not only was the staff inadequately small in number and temporary in status, but its leadership was not stable: Rear Admiral Sidney W. Souers first headed the unit but within six months he was succeeded by General Hoyt S. Vandenberg; in May, 1947, Rear Admiral Roscoe H. Hillenkoetter became director of the Group and, after the Central
Intelligence Agency displaced the CIG, made the transition to lead the CIA.

From 1947 (when the armed services were unified and reorganized under the Department of Defense superstructure, the National Security Council, the now defunct National Security Resources Board and the Central Intelligence Agency was established) to the present, there has been a steady growth in intelligence institutions and organization. The remaining portion of this study is devoted to the evolution and growth of these entities.

IX. Atomic Energy Commission

Created in 1946 (60 Stat. 755) and further empowered in 1954 (68 Stat. 919) as the sole agency responsible for atomic energy management, production, and control, the Atomic Energy Commission administered nuclear power matters for almost two decades before a general reorganization of the Federal government's energy policy structure brought about its demise in 1975. The Commission was the recipient of the legacy of the Manhattan Project, operated by the Army Corps of Engineers for the development of the atomic bomb during the war. Since 1947 the agency has maintained an intelligence unit under various identifications: Director, Office of Security and Intelligence (1954–1955), Director, Division of Intelligence (1955–1971), and Assistant General Manager for National Security (1972–1975).²¹⁹

In the period between 1949, when the first Soviet nuclear test was reported, and the end of February 1958, the AEC announced some thirty-one nuclear explosions as having been detonated by the Soviet Union. Not all Soviet atomic explosions are publicly announced by the commission, nor are full details given. But information about all such tests is quickly communicated within the intelligence community.

Such information is a basic requirement for officials responsible for national security plans and programs. For example, if the Soviets were known to be conducting certain types of nuclear tests, these might reveal the state of progress of hydrogen warheads for ballistic missiles or progress in developing defensive nuclear missiles.²²⁰

This type of intelligence is gathered through machinery, such as seismic devices, and atmospheric sampling procedures.

The United States has maintained continuous monitoring of the earth's atmosphere to detect radioactive particles from atomic tests. Samples of atmosphere are collected in special containers by U-2 and other aircraft flying at high altitudes. AEC is able to determine from these samples and other data not only whether an atomic explosion has occurred, but also the power and type of weapon detonated. It also con-

²¹⁹ The periods indicated for these titles are approximate and are based upon the appearance of the referent in official government organization manuals for the years specified.
ducts extensive research and experimentation to prevent detection of atomic explosions and methods of penetrating any such protective shielding as might be devised by another nation.221

The agency also utilizes its own "state of the art" techniques in nuclear energy production to assess the status of atomic power developments in foreign countries.

The Atomic Energy Commission is therefore a consumer and producer of intelligence in the critical national security field of nuclear energy, and is accordingly represented on the U.S. Intelligence Board by its director, Division of Intelligence. The AEC is vitally interested in receiving data on foreign atomic energy or nuclear weapons developments and provides technical guidance to CIA and the intelligence agencies of the armed services in collecting these raw data. The AEC, in turn, becomes a producer of intelligence when it produces information on nuclear energy and develops estimates as to the atomic weapons capabilities of foreign powers. This processed intelligence is disseminated to the National Security Council, the armed forces, and others in the intelligence establishment.

The specific functions of the AEC Intelligence Division are to keep the AEC leadership informed on matters relating to atomic energy policy; in formal terms the division "formulates intelligence policy and coordinates intelligence operations." It sets the intelligence "requirements" of the AEC, which may be supplied by the various operating arms of the intelligence community. It represents the AEC in the interagency boards and committees concerned with foreign intelligence and it provides other intelligence agencies with technical information in the hope of assuring competency in the collection and evaluation of atomic energy intelligence.222

In accordance with the provisions of the Energy Reorganization Act of 1974 (88 Stat. 1233), the Atomic Energy Commission was superseded by the Energy Research and Development Administration and the Nuclear Regulatory Commission in January 1975. The first of these new agencies assumed the old Commission's intelligence functions, the AEC Assistant General Manager for National Security becoming the Assistant Administrator for National Security at ERDA. The new Administration is also represented on the United States Intelligence Board.

X. National Security Council

The National Security Council evolved from efforts begun in 1944 for the unification of the armed services and culminating in the National Security Act of 1947 (61 Stat. 496). Both the Council and its centralized intelligence coordinating sub-agency generally devel-

222 Ransom, op. cit., p. 146.
oped from the National Intelligence Authority-Central Intelligence Group experience and a principal study of post-war defense organization matters prepared at the suggestion of Senator David I. Walsh (D.-Mass.), Chairman of the Senate Committee on Naval Affairs, for Secretary of the Navy James V. Forrestal by New York investment broker Ferdinand Eberstadt. While numerous other reorganization ideas would follow, the Eberstadt report recommended the maintenance of three departments, War, Air and Navy, with each having a civilian secretary, a civilian under secretary, and a commanding officer. A National Security Council, composed of the Secretaries of War, Navy and Air, the Chairman of the National Security Resources Board, Chairman of the Joint Chiefs of Staff, and a permanent secretariat would be established to facilitate interagency clearances. In the absence of the President, the Vice President or the Secretary of State would preside as Chairman. The duties of the Council would be to exercise critical policy-forming and advisory functions in the setting up of foreign and military policy. A Central Intelligence Agency was to be made a constituent part of the Council's organization with the Joint Chiefs of Staff serving as the principal coordinating unit. The latter would be given statutory authority permitting it to advise the Council on strategy, budgetary problems, and logistics.

As initially established in 1947, the Council was an independent agency with a membership including the President, the Secretaries of State, Defense, Army, Air, Navy, and the Chairman of the (now defunct) National Security Resources Board with the option that the Chief Executive might also include the heads of two other special defense units (now expired). Two years later the membership of the Council was overhauled (63 Stat. 579) to include the President, the Vice President, the Secretaries of State and Defense, the Chairman of the National Security Resources Board, and certain other defense officials which the Chief Executive might specify as members, subject to Senate confirmation. Also, in accordance with Reorganization Plan No. 4 of 1949 (63 Stat. 1067), the Council was formally located within the Executive Office of the President. Two aspects of NSC organization and operation are of interest to this study: staff growth and activities and coordination mechanisms developed under the auspices of the Council.

The general staffing pattern of the NSC would appear to be a movement from a small secretariat to a large professionalized body competing with the bureaucracies of the defense and foreign policy agencies

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and departments for access to the President. The availability of the Chief Executive to the NSC staff has been enhanced by the decline of the Council’s Executive Secretary and virtual replacement by a presidential assistant for national security matters; the creation of various coordination mechanisms reporting to the Council, where the Chief Executive presides, or directly to the President has also increased the influence of this staff with the man in the White House.

Under President Truman, who did not make extensive use of the panel, the NSC staff,

a small body of permanent Council employees and officers detailed temporarily from the participating agencies, was headed by a nonpolitical civilian executive secretary appointed by the President. An “anonymous servant of the Council,” in the words of the first executive secretary [Sidney W. Souers], “a broker of ideas in criss-crossing proposals among a team of responsible officials,” he carried NSC recommendations to the President, briefed the chief executive daily on NSC and intelligence matters and maintained his NSC files, and served, in effect, as his administrative assistant for national security affairs.

The organization of the NSC staff was flexible and, as the Council developed, changed to meet new needs. In general, during the pre-Korean period, it consisted of three groups. First was the Office of the Executive Secretary and the Secretariat, composed of permanent NSC employees, which performed the necessary basic functions of preparing agenda, circulating papers, and recording actions. Next was the Staff, consisting almost entirely of officials detailed on a full-time basis by departments and agencies represented on the Council, and headed by coordinator detailed from the State Department who was supported, in turn, by a permanent assistant. This body developed studies and policy recommendations for NSC consideration. The third group consisted of consultants to the executive secretary, the chief policy and operational planners for each Council agency. Thus, the head of the Policy Planning Staff represented the State Department, the Director, Joint Staff, represented the Department of Defense, and so forth.

Late in July, 1950, President Truman ordered a reorganization and strengthening of the Council. Attendance at NSC sessions was lim-
ited to statutory members and five other specifically designated officials (the Secretary of the Treasury, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, a Special Assistant to the President [W. Averell Harriman], and a Special Consultant to the President [Sidney W. Souers]) together with the Executive Secretary (James S. Lay, Jr.).

The President also directed a reshuffling of the NSC staff. The permanent Secretariat remained, but the Staff and consultants were replaced by a Senior Staff and Staff Assistants. The Senior Staff was composed of representatives of State, Defense, NSRB, Treasury, JCS, and CIA, and shortly thereafter of Harriman's office, and headed by the Executive Secretary, an official without departmental ties. Members were generally of Assistant Secretary level or higher and in turn designated their Staff Assistants.

The Senior Staff participated closely and actively in the work of the Council. Not only did it continue the functions of the Staff, but it also took over responsibility for projects formerly assigned to ad hoc NSC committees. It thus provided the Council with continuous support by a high-level interdepartmental staff group. The Staff Assistants, who did most of the basic work for the Senior Staff, spent a large part of their time in their respective agencies, where they could better absorb agency views and bring them to the fore during the developmental phase of NSC papers. The position of the executive secretary, moreover, as chairman of the Senior Staff and also head of the permanent NSC staff in the White House, gave that official an intimate view of the President’s opinions and desires that he could bring to bear quite early in the planning process. And finally, JCS and Treasury representation on the NSC staff filled needs that had been long felt.

With the arrival of the Eisenhower Administration, the Council was transformed into a highly organized and enlarged forum for the formulation of both national defense and foreign policy. Auxiliary coordination units were added to the NSC structure and the panel’s factual research and policy paper production was supervised by the first officially designated presidential assistant for national security matters, Robert Cutler (James S. Lay, Jr., continued as the Council’s Executive Secretary). Most of this machinery disappeared in 1961.

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227 By this time the Council’s statutory membership had been altered by a statutory amendment (63 Stat. 579) to the National Security Act of 1947 (61 Stat. 496) and the panel had been officially located (63 Stat. 1067) within the Executive Office of the President.

228 Cutler’s official title, first appearing in the government organization manual for 1954, was Special Assistant to the President for National Security Affairs and was listed in both the White House Office staff and National Security Council staff. Stress must be placed upon this being an official title for certainly other presidential aides had been regarded as assistants for national security matters. Thus one finds, for example, President Truman writing that when Admiral William D. Leahy retired as White House Chief of Staff in March, 1941, “I brought Admiral Souers to the White House in the new capacity of Special Assistant to the President for Intelligence.” Officially, Souers was Executive Secretary of the NSC. Truman, op cit., p. 58.
however, with the arrival of the Kennedy Administration and the NSC became but one of several means by which foreign policy and defense problems might be scrutinized.

Normally the President assigned the preparation of a study or recommendation to a Cabinet official or one of his top subordinates. This official, in turn, was responsible for obtaining other departmental views and checking and coordinating with other responsible individuals. Sometimes he did this within small, interdepartmental groups, specially created to study the problem, sometimes by arranging for subordinates in each interested agency to develop the matter. Where appropriate, this included close consultation with the Budget Bureau. Fiscal matters were considered during the development of a study and in drawing up recommendations and proposals; papers no longer had separate financial appendices. The completed report included not only the responsible officials own analysis and recommendations for action, but also a full statement of any differing views held by other agencies or individuals. This was true whether the report was prepared by one person or by a special task force.

The final version, presented to President Kennedy at a formal meeting of the NSC or within smaller or larger panel or subcommittee meetings, was then discussed and, if necessary, debated further before the President made his decision. Once the chief executive approved a specific recommendation, the responsible agency or department made a written record of the decision and the head of that agency, or a high-level action officer, was charged with overseeing its implementation.230

President Kennedy did not, however, discard the special assistant’s role in Council operations and national security matters.

The Special Assistant to the President for National Security Affairs, McGeorge Bundy, also played an important role in the national security process. Not only was he a top presidential adviser, but as overall director of the NSC staff he participated in all Council-related activities. He and his assistants had a variety of responsibilities in addition to their normal secretariat functions. They suggested areas for consideration and the mechanisms for handling these and other problems; followed studies through the planning stage and saw that they were properly coordinated, staffed, and responsive to the needs and desires of the President; ensured that a written record was made of all decisions, whether they were reached at formal NSC meetings or at other top conferences; and kept tabs on the implementation of whatever policy had been adopted. In this work, Bundy and the NSC staff coordinated closely with other parts of the presidential staff and the Budget Bureau, performed whatever liaison was necessary, and met frequently with the President at regular White House staff meetings.

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230 Falk, op. cit., p. 430.
Formal NSC meetings were held often but irregularly, sometimes as frequently as three times a week and usually at least once every two weeks. In the first half year of the Kennedy administration, for example, the Council met sixteen times. Many matters that had been considered at regular NSC meetings under Eisenhower were now handled in separate meetings of the President with Secretaries Rusk and McNamara or with a single Cabinet officer, or in committees of the NSC that included only some of the statutory members but also several of their top deputies or other government officials, or at meetings below the presidential level.

While President Johnson largely continued to operate in much the same manner as his predecessor with regard to national security matters, President Nixon significantly altered these arrangements by vesting a great deal of autonomy in his assistant for national security affairs, granting that agent a large staff responsible to his personal supervision (the NSC Executive Secretary position remained vacant during the Nixon tenure).

When Kissinger came to Washington he told a number of people of his determination to concentrate on matters of general strategy and leave "operations" to the departments. Some dismissed this as the typical disclaimer of a new White House staff man. Yet much in Kissinger's writings suggests that his intention to devote himself to broad "policy" was real. He had repeatedly criticized our government's tendency to treat problems as "isolated cases," and "to identify foreign policy with the solution of immediate issues" rather than developing an interconnected strategy for coping with the world over a period of years. And his emphasis was primarily on problems of decision-making. He defined the problem basically in terms of how to get the government to settle on its major policy priorities and strategy, and had been slow to recognize the difficulty of getting the bureaucracy to implement such a strategy once set.

Kissinger found a kindred spirit in a President whose campaign had denounced the Kennedy-Johnson de-emphasis on formal national security planning in favor of "catch-as-catch-can talkfests." And the system he put together for Nixon is designed above all to facilitate and illuminate major Presidential foreign policy choices. Well over 100 "NSSM's" (National Security Study Memoranda) have been issued by the White House to the various foreign affairs government agencies, calling for analysis of major issues and development of realistic alternative policy "options" on them. These studies are cleared through a network of general interdepartmental committees responsible to Kissinger, and the most important issues they raise are argued out before the President in the National Security Council. Nixon then makes a

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decision from among the options, usually "after further private deliberation." 252

While the NSC itself may not have met any more frequently under President Nixon than it did during the Kennedy-Johnson regimes, the Council served as an important coordinating mechanism for Dr. Kissinger in centralizing and amassing his control over national security and intelligence matters. As in the Eisenhower period, a variety of auxiliary panels were created for special aspects of security policy; these were chaired by Kissinger and provided staff support by his NSC personnel. The principal auxiliary units (not all, for some, undoubtedly, were never publicly acknowledged and a definitive list is not otherwise known to exist) associated with the Council since its creation are discussed below.

On May 10, 1949, President Truman announced the creation of two panels which would flank the NSC structure. The first of these, the Interdepartmental Committee on Internal Security, was chaired initially by the Special Assistant to the Attorney General with representatives from the Department of State, Defense, and Treasury as well as the NSC (the last in an adviser-observer capacity). Largely a paper structure, this body has been almost totally inactive during the past decade; nevertheless, responsibility for its operations currently lies with the head of the internal security section of the Criminal Division, Department of Justice.

The Interdepartmental Intelligence Conference, the other unit established by President Truman, was initially headed by J. Edgar Hoover, Director of the Federal Bureau of Investigation, and counted among its members the heads of Army, Navy, and Air Force intelligence agencies and an NSC representative (the last, again, in an adviser-observer capacity). Slightly more active than the counterpart internal security panel, the Conference has, since the death of Director Hoover, been maintained by a secretariat within the Federal Bureau of Investigation.

Both of these entities, one predominantly military and the other largely civilian in scope, are responsible for coordinating certain investigations of domestic espionage, counterespionage, sabotage, subversion, and related internal security matters. Because the differentiation between their jurisdiction is not altogether clear, fundamental disagreements between them over such matters are settled by the NSC; however, in view of the inactivity of these units, it would seem that few disputes over jurisdiction have been taken to the Council recently by these panels.253

In June, 1951, a Psychological Strategy Board was established by presidential directive.254 Supplanting an earlier board created in the Department of State under Assistant Secretary Edward W. Barrett, the new panel attempted to determine the psychological objectives of the United States and coordinated and evaluated the work of operating psychological warfare agencies. Under the terms of its charter,

252 Destler, op. cit., pp. 28-29.
253 Hobbs, op. cit, p. 150.
the Board was obligated to "report to the National Security Council on . . . [its] . . . activities and on its evaluation of the national psychological operations, including implementation of approved objectives, policies, and programs by the departments and agencies concerned." Composed of the Under Secretary of State, the Deputy Secretary of Defense, and the Director of Central Intelligence (or their designees), and such other representatives as determined by them, the unit was ultimately abolished (E.O. 10483) on September 2, 1953, when Reorganization Plan No. 8 of that year (67 Stat. 642) established the United States Information Agency which assumed the functions of the Board.

Finding a need for improving the manner in which NSC policies were carried out, President Eisenhower created (E.O. 10483) the Operations Coordinating Board in September, 1953, which, after the Chief Executive approved a policy submitted by the Council, was to consult with the agencies involved as to:

(a) their detailed operational planning responsibilities respecting such policy, (b) the coordination of the interdepartmental aspects of the detailed operational plans developed by the agencies to carry out such policy, (c) the timely and coordinated execution of such policy and plans, and (d) the execution of each security action or project so that it shall make its full contribution to the attainment of national security objectives and to the particular climate of opinion the United States is seeking to achieve in the world, and (e) initiate new proposals for action within the framework of national security policies in response to opportunity and changes in the situation.

In addition to the Under Secretary of State, who acted as chairman, the panel consisted of the Deputy Secretary of Defense, the Director of Foreign Operations, and the Director of Central Intelligence. The Special Assistant to the President for National Security Affairs might attend any session of the Board on his own volition and the Director of the United States Information Agency was to advise the body upon request. In his efforts at streamlining the national security structure, President Kennedy terminated (E.O. 10920) the Board in February 1961.

The Forty Committee (also known as the Special Group, the 54/12 Group, and the 303 Committee) was established by a secret NSC order #54/12 and derived from an informal Operations Coordinating Board luncheon group. Created sometime in 1955, the panel has had a varying membership but has reportedly included the Director of Central Intelligence, the Under Secretary of State for Political Affairs, the Secretary and Deputy Secretary of Defense and, during the past decade, the Chairman of the Joint Chiefs of Staff and the presidential assistant for national security affairs. During the past three administrations the President's national security assistant is thought to have chaired the group's sessions. According to one authority, it is this unit which makes "policies which walk the tightrope between peace and war;" another source credits the committee with

holding authority on the execution of CIA clandestine operations.\textsuperscript{236} In this latter regard, the group functions as a shield against claims that the Chief Executive directly approved some morally questionable clandestine activity; this function of the panel would not, however, seem to excuse the President from his constitutional obligation to "take care that the laws be faithfully executed."\textsuperscript{237}

With the arrival of the Nixon Administration in 1969, Dr. Kissinger instituted three new NSC coordinating mechanisms. The Under Secretaries Committee, initially headed by Under Secretary of State John N. Irwin, was "originally designed as the chief implementing body to carry out many (but not all) Presidential NSC directives" but, according to a 1971 evaluation, the panel's "actual importance (never very great) continues to lapse."\textsuperscript{238}

"Another is the Senior Review Group, now [1971] at an Under Secretary level and chaired by Kissinger, which usually gives final approval to the NSC study memoranda after making sure that 'all realistic alternatives are presented'."\textsuperscript{239}

The third entity, the Washington Special Actions Group, included as members, as of late 1971, the Attorney General, the Director of Central Intelligence, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs, and the Under Secretary of State for Political Affairs. It functions as "top-level operations center for sudden crises and emergencies."\textsuperscript{240}

On November 5, 1971, the White House announced additional reorganization efforts with regard to the intelligence community, the net outcome of which was the establishment of three more NSC panels:

... a National Security Council Intelligence Committee, chaired by the Assistant to the President for National Security Affairs. Its members ... include the Attorney General, the DCI [Director of Central Intelligence], the Under Secretary of State, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. The Committee will give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products from the viewpoint of the intelligence user.

... a Net Assessment Group within the National Security Council staff. The group ... [is] ... headed by a senior staff member and ... [is] ... responsible for reviewing...
and evaluating all intelligence products and for producing net assessments.

... an Intelligence Resources Advisory Committee, chaired by the DCI, including as members a senior representative from the Department of State, the Department of Defense, the Office of Management and Budget, and the Central Intelligence Agency. This Committee ... advise[s] the DCI on the preparation of a consolidated intelligence program budget.²⁴¹

These units, together with the above named groups and the Verification Panel, which is responsible for monitoring the intelligence related to the Strategic Arms Limitation Talks and is chaired by Dr. Kissinger, constitute the major NSC affiliates of interest to this study. Unless otherwise noted, all of these entities are officially operative though, in some instances, they exhibit little functional activity.

XI. Central Intelligence Agency

Viewed by some as a revitalized model of the Office of Strategic Services, the Central Intelligence Agency was established as a subunit of the National Security Council by the National Security Act of 1947 (61 Stat. 496) with responsibilities (1) to advise the NSC on intelligence matters related to national security, (2) to make recommendations to the Council regarding the coordination of intelligence activities of the Federal Executive departments and agencies, (3) to correlate and evaluate intelligence and provide for its appropriate dissemination, (4) to perform such additional services for the benefit of existing intelligence entities as the NSC determines can be effectively accomplished by a central organization, and (5) to perform such additional functions and duties relating to national security intelligence as the Council may direct.

The Agency's organic statute was amended in 1949 by the Central Intelligence Agency Act (63 Stat. 208) which sought to improve CIA administration by strengthening the powers of the director. Among other authorities granted, this law exempts the Agency from any statutory provisions requiring the publication or disclosure of the "organization, functions, names, official titles, salaries or numbers of personnel employed" and, further, directs the Office of Management and Budget (then identified as the Bureau of the Budget) to make no reports on these matters to Congress. Nevertheless, in spite of this restrictive language, some gleanings are available on the organization of the CIA.²⁴² This scenario necessarily includes not only the evolution and current status of the Agency's internal structure, but extends as well to entities apart from the Agency which are headed by the Director of Central Intelligence and unofficial affiliates in the service of the CIA.

The head of the Old Central Intelligence Group, Admiral Roscoe H. Hillenkoetter, served as the first director of the Central Intelligence

²⁴² There are, of course, various accounts of CIA operations and exploits but these are generally unenlightening with regard to organizational considerations and are, therefore, outside of the scope of this study.
Agency. But, while this leadership continuity assured an easy transition from one unit to its successor, the Agency was struggling with internal organization difficulties and liaison relationships during its first years of operation. These problems diminished with the arrival of Lieutenant General Walter Bedell Smith, former Secretary of the General Staff under General George C. Marshall and Chief of Staff to General Dwight D. Eisenhower in Europe, as Director of Central Intelligence in 1950. Former CIA official Lyman B. Kirkpatrick, Jr., offers this view of Smith's impact on the Agency.

Under the persistent prodding of General Smith, the intelligence community moved toward coordination and centralization. He was impatient with jurisdictional arguments, whether within the CIA or among the services. His attitude was that there was more than enough work for everybody. He had the authority and used it.

Within the CIA he reorganized the operational arm, established new guidelines for interagency cooperation, and established a support arm to provide the personnel, training, communication, logistics, and security so necessary in intelligence activities. He separated research from the estimating process and proposed a division of research responsibilities among the intelligence agencies. The Intelligence Advisory Committee gained stature as the governing body of the community.

Perhaps no action more typified the style and personality of General Smith than the organization of the operational offices of the CIA. The agency had inherited its foreign intelligence and counter-intelligence offices from the OSS, and in the five years since the Second World War these had been consolidated, reorganized, and reoriented to peacetime conditions. By 1948 another office had been added to engage in covert operations or political warfare. The new office was in, but not of, the CIA. It took its directives from a State-Defense committee, not the DCI. One of Smith's first actions on becoming director in October 1950 was to announce that he would issue the orders to this office. He later directed that the two offices (foreign intelligence and covert operations) be merged and that the deputy director concerned and the two assistant directors in charge of those offices work out the details. As one of the assistant directors, I participated in what were extended and exhaustive negotiations. In the summer of 1952 Smith finally accepted our proposals and called a meeting of all of the division and staff chiefs of the to-be-merged offices to announce the new organization. Although everyone present knew that the director was impatient to have the merger implemented, there were a couple who wanted to argue it. Smith gave them short shrift; his quick temper flared and he scathingly stopped the discussion, announced what was to take place, and stalked out. One of my colleagues leaned over and whispered, "My God, if he is that terrifying now, imagine what he must have been at full weight!" During the Second World War, when he was Eisen-
hower's Chief of Staff, Smith had weighed about 185, but an operation for stomach ulcers had reduced his size by fifty pounds.\footnote{Lyman B. Kirkpatrick, Jr. The U.S. Intelligence Community's Foreign Policy and Domestic Activities. New York, Hill and Wang, 1973, pp. 32-33.}

When Smith departed from the CIA directorship in 1952, he was succeeded by a man who was not only his equal in organizational abilities, but an individual virtually without equal in intelligence operations: Allen Welsh Dulles, the OSS master spy in Switzerland during World War II, lately head of the CIA's Office of Policy Coordination which carried out political subversion missions, and brother of the new Secretary of State. While Dulles, himself, has written very little about his organization and manner of administering the Central Intelligence Agency, one close observer of his operating techniques has written:

\ldots one of the first things we did when he became the Director was to abolish the office of the Deputy Director of Administration [DD/A]. In a city renowned for its bureaucratic administration and its penchant for proving how right C. Northcote Parkinson was, Mr. Dulles' first act was more heretical to most Washingtonians than one of Walter Bedell Smith's first actions—the one in which he told the McCarthy [Senate investigation of Communist activity] hearings that he thought there might well be Communists in the Agency. Washington was not as upset about the Communists as it was to learn that a major agency of the Government had abolished Administration. Mr. Dulles took the view of the intelligence professional, that it was much more dangerous and therefore undesirable to have all kinds of administrators acquiring more information than they should have, than it was to find some way to get along without the administrators.

While the public was mulling over that tidbit from the CIA, the real moves were being made inside the organization, where no one could see what was going on. The Deputy of Intelligence [DD/I], strengthened by the addition of the Current Intelligence organization [which prepares the daily intelligence report submitted to the President] and other such tasks, was to be responsible for everything to do with intelligence, and more importantly, was to be encumbered by nothing that had to do with logistics and administration. That was the theory. In practice, the DD/I has a lot of administrative and support matters to contend with, as does any other large office. However, as much of the routine and continuing loads as could be was set upon the Deputy Director of Support [DD/S].

At the same time, the new and growing DD/P [Plans] (the special operations shop) was similarly stripped of all encumbrances and freed to do the operational work that Dulles saw developing as his task. This left the DD/S (Support) with a major task. He was responsible for the entire support
of the Agency, support of all kinds, at all times, and in all places.244

As an "intelligence professional," Dulles held strong views as to the type of individuals who should lead the Agency and serve it. During the hearings on the proposed National Security Act of 1947, he sent a memorandum on the CIA provisions to Senator Chan Gurney (R.-S.D.), Chairman of the Committee on Armed Services, indicating his view that the new intelligence entity

... 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. They must find their reward in the work itself, and in the service they render their Government, rather than in public acclaim.

Elsewhere in his statement he opined that the Agency "must have a corps of the most competent men which this country can produce to evaluate and correlate the intelligence obtained, and to present it, in proper form, to the interested Government departments, in most cases to the State Department, and in many cases to the Department of National Defense, or to both." 245

Dulles continued to express this view after he left the directorship, offering perhaps his most developed account on this point in a 1963 writing.

From the day of its founding, the CIA has operated on the assumption that the majority of its employees are interested in a career and need and deserve the same guarantees and benefits which they would receive if in the Foreign Service or in the military. In turn, the CIA expects most of its career employees to enter its service with the intention of durable association. No more than other large public or private institutions can it afford to invest its resources of time and money in the training and apprenticeship of persons who separate before they have begun to make a contribution to the work at hand. It can, in fact, afford this even less than most organizations for one very special reason peculiar to the intelligence world—the maintenance of its security. A sizable turnover of short-term employees is dangerous because it means that working methods, identities of key personnel and certain projects in progress will have been exposed in some measure to persons not yet sufficiently indoctrinated in the habits of security to judge when they are talking out of turn and when they are not.

The very nature of a professional intelligence organization requires, then, that it recruit its personnel for the long pull, that it carefully screen candidates for jobs in order to determine ahead of time whether they are the kind of people who will be competent, suitable and satisfied, and that once

such people are within the fold their careers can be developed to the mutual advantage of the government and the officer. Yet, regardless of these expressions of personnel policy, the overriding factor in CIA recruitment during Dulles’ tenure would seem to be security, a condition brought to bear not by the Director’s own choosing but, rather, by the tirades of the junior Senator from Wisconsin, Joseph R. McCarthy.

The CIA Director told the President he would resign unless McCarthy’s vituperation was silenced. Eisenhower had been reluctant to stand up to the politically powerful (and politically useful) senator. But he accepted Dulles’ contention that McCarthy’s attacks on the Agency were damaging to the national security. Vice-President Nixon was dispatched to pressure McCarthy into dropping his plans for a public investigation. The senator suddenly became “convinced” that “it would not be in the public interest to hold public hearings on the CIA, that that perhaps could be taken care of administratively.”

The “administrative” remedy McCarthy demanded as the price of his silence was a vast internal purge of the Agency. The senator privately brought his charges against CIA “security risks” to Dulles’ office. He had lists of alleged “homosexuals” and “rich men” in CIA employ and provided Dulles with voluminous “allegations and denunciations, but no facts.” To insure, however, that his charges were taken seriously by CIA, McCarthy continued to threaten a public investigation. At his infamous hearings on alleged subversion in the Army, the senator frequently spoke of “Communist infiltration and corruption and dishonesty” in CIA. He called this a “very, very dangerous situation” which disturbs me “beyond words.”

The pressure took its toll. Security standards for Agency employment were tightened, often to the point of absurdity, and many able young men were kept from pursuing intelligence careers.

The author of the above passage suggests that the effect of the new security standards were profound for the development of the Central Intelligence Agency: in brief, individuals who had been involved in any type of leftist ideological cause would find it difficult to obtain employment with the CIA. Because of the situation, the flow of diverse viewpoints through new personnel was restricted and a like-minded manner of thinking began to evolve within the agency.

As a consequence of this state of affairs, and for other reasons, some CIA employees abandoned their intelligence careers and sought more rewarding positions in the diplomatic and foreign policy establishment. These shifts also had an interesting effect in terms of the CIA’s image and impact.

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State Department officials have learned the power of their clandestine opposite numbers. In March 1954, a Texas attorney with long business experience in South America was named Assistant Secretary of State for Latin American Affairs. At one of his first briefings, the Texan learned that the CIA had set aside $20 million to overthrow a leftist regime in Guatemala. The Assistant Secretary raised vigorous objections to the whole plan until he was silenced by his superior, the Undersecretary of State—who happened to be ex-CIA Director Walter Bedell Smith. On several other occasions during the 1950s, John Foster Dulles felt that his own ambassadors could not be “trusted” and should not be informed of CIA operations in their countries. And those operations, as often as not, were undertaken by arrogant adventurers who had developed operational independence from a relatively enlightened staff at CIA’s Washington headquarters.248

At present the Central Intelligence Agency is thought to be organized into five entities—the Office of the Director and its satellites and four functional directorates.249 At the head of the agency are the Director and Deputy Director, both of whom serve at the pleasure of the President and are appointed subject to confirmation by the United States Senate. Either of these officials may be selected from among the commissioned officers of the armed services, whether active or retired, but one position must always be held by a civilian. There is also a Deputy Director of Central Intelligence for the Intelligence Community (prior to 1975 this official was known as the Deputy Director for Community Relations) who assists the Director of Central Intelligence in his administrative responsibilities outside of managing the Agency.

One satellite entity attached to the Office of the Director of Central Intelligence is a small group of senior analysts, drawn from the CIA and other agencies, who prepare the National Intelligence Estimates which are position papers assessing potentiality or capability for the benefit of U.S. policy makers—e.g., Soviet strategic defense capability, grain production in Communist China, or the political stability of Argentina, Chile, Angola, or Jordan. Founded in 1950 as the Board of National Estimates and initially headed by OSS veteran Dr. William Langer, the unit was reorganized in October, 1973, when its name was changed to National Intelligence Officers (NIO).

Each NIO is either a geographic or functional expert and is allotted one staff assistant. “Flexibility” is a frequently used word in the CIA under [Director William E.] Colby, who has recruited an NIO for economic problems from RAND corporation, another for arms control (“Mr. Salt Talks”) and others for key geographic areas such as Russia, China, and the Middle East. Reportedly, the NIOs are to be recruited from all agencies within the intelligence community (with a

248 Ibid., p. 376.
249 This general description is taken from Victor Marchetti and John D. Marks. The CIA and the Cult of Intelligence. New York. Alfred A. Knopf, 1974, pp. 67-79; corroborating information has been compared from other public descriptions of the Agency.
sprinkling of functional experts from the outside), and the military NIOs are to have general officer rank in order to add prestige to the position. If so, this provision is suspect, since the promotion system within the armed forces does not assure that good intelligence estimators will be advanced to general officer rank. On the contrary, as experience in Vietnam has repeatedly demonstrated, high rank is often associated with poor estimating ability and loss of touch with reality. If NIO positions are staffed with general officers, the latter will have to depend on their staff assistants for credible estimates. However, the system as envisaged will enable the NIO to go outside CIA for expertise and advice, thus playing specialists from one government agency (or industry) against each other in an adversary process of arriving at balanced estimates. It will also enable the NIO to let contracts for the study of certain problems to academia.250

The other satellite attached to the Office of the Director of Central Intelligence is the Intelligence Resources Advisory Committee, successor to the National Intelligence Resources Board created in 1968 by CIA Director Richard Helms. Both units were designed to assist in the coordination and management of the intelligence community's budget. While the old Board consisted of the Director of the Defense Intelligence Agency and the Director of the State Department's Bureau of Intelligence and Research with the Deputy Director of CIA as chairman, the new Committee, established during President Nixon's 1971 intelligence reorganization to advise "the DCI on the preparation of a consolidated intelligence program budget," added a senior representative from the Office of Management and Budget to the group and designated the CIA Director, acting in his capacity as coordinator of national intelligence, as chairman.

Another panel which might be mentioned at this juncture is the United States Intelligence Board. Established in 1960 by a classified National Security Council Intelligence Directive, the Board is the successor to the Intelligence Advisory Committee created in 1950 as an interdepartmental coordinating forum chaired by the CIA Director and counting representatives from the armed services intelligence units, the State Department's Bureau of Intelligence and Research, the National Security Agency, the Federal Bureau of Investigation, and the Atomic Energy Commission as members. The Committee and its successor function (ed) as a "board of directors" for the intelligence community. At present, USIB reportedly assists and advises the Director of Central Intelligence with respect to the issuance of National Intelligence Estimates; setting intelligence collection requirements, priorities, and objectives; coordinating intelligence community estimates of future events and of enemy strengths; controlling the classification and security systems for most of the Federal Government and protecting intelligence sources and methods; directing research in various fields of technical intelligence; and deciding what information is to be shared with the intelligence services of allied or friendly nations.251 The Board consists of a representative from the State

250 Blackstock, op. cit., p. 239.
251 Marchetti and Marks, op. cit., pp. 81-84.
Department's Bureau of Intelligence and Research, the National Security Agency, the Federal Bureau of Investigation, the Energy Research and Development Administration (successor to the Atomic Energy Commission on nuclear intelligence matters), and the Deputy Director of CIA. The Director of the Defense Intelligence Agency was included in 1961 and three years later the status of the armed services representatives—the Army, Navy, and Air Force having been represented on the original Board—was downgraded from member to observer, on the grounds that the Defense Intelligence Agency member represented all of them. In the 1971 intelligence community reorganization announced by President Nixon, a Treasury Department representative was added to USIB.

Meeting approximately once a week, the Board's agenda and minutes are classified; when the panel goes into executive session, all staff members are excluded from the proceedings. USIB is supported by an interdepartmental committee structure which "encompasses every aspect of the nation's foreign intelligence requirements, ranging from the methods of collection to all areas of research." While these standing committees have numbered as many as 15, a recent disclosure indicates a reduction to 11 units in mid-1975.

The other components of the Office of the Director include those traditionally found in governmental bureaucracies: press officers, congressional liaison, legal counsel, and so on. Only two merit special note: the Cable Secretariat and the Historical Staff. The former was established in 1950 at the insistence of the Director, General Walter Bedell Smith. When Smith, an experienced military staff officer, learned that agency communications, especially those between headquarters and the covert field stations and bases, were controlled by the Clandestine Services, he immediately demanded a change in the system. "The operators are not going to decide what secret information I will see or not see," he is reported to have said. Thus, the Cable Secretariat, or message center, was put under the Director's immediate authority. Since then, however, the operators have found other ways, when it is thought necessary, of keeping their most sensitive communications from going outside the Clandestine Services.

The Historical Staff represents one of the CIA's more clever attempts to maintain the secrecy on which the organization thrives. Several years ago the agency began to invite retiring officers to spend an additional year or two with the agency—on contract, at regular pay—writing their official memoirs. The product of their effort is, of course, highly classified and tightly restricted. In the agency's eyes, this is far better than having former officers openly publish what really happened during their careers with the CIA.

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252 Kirkpatrick, op. cit., p. 39.
253 Marchetti and Marks, op. cit., p. 81.
255 Marchetti and Marks, op. cit., p. 70.
Outside of the Office of the Director, the Agency is organized into four functional directorates: Operations, Management and Services, Science and Technology, and Intelligence. The first of these—the Directorate of Operations—is the clandestine services unit, reportedly consisting of about 6,000 professionals and clerks in a rough two to one ratio with approximately 45 percent of this workforce stationed overseas (the "vast majority" in cover positions). Composed of some fifteen components, the Directorate has most of its personnel ("about 4,800 people") within the so-called area divisions which correspond to the State Department’s geographic bureau arrangement.

The largest area division is the Far East (with about 1,500 people) followed in order of descending size by Europe (Western Europe only), Western Hemisphere (Latin America plus Canada), Near East, Soviet Bloc (Eastern Europe), and Africa (with only 300 staff). The chain of command goes from the head of the Clandestine Services to the chiefs of the area divisions, then overseas to the chiefs of stations (COS) and their chiefs of bases (COB).

There is also a Domestic Operations Division which "is, in essence, an area division, but it conducts its mysterious clandestine activities in the United States, not overseas." Grouped with the area divisions, the Special Operations Division’s "main function is to provide the assets for paramilitary operations, largely the contracted manpower (mercenaries or military men on loan), the materiel, and the expertise to get the job done." Apart from the area divisions are three staffs within the Directorate of Operations: "Foreign Intelligence (espionage), Counterintelligence (counterespionage), and Covert Action, which oversee operational policy in their respective specialties and provide assistance to the area divisions and the field elements."

The remaining three components of the Clandestine Services provide technical assistance to the operational components. These three are: the Missions and Programs Staff, which does much of the bureaucratic planning and budgeting for the Clandestine Services which writes up the justification for covert operations submitted for approval to the 40 Committee; the Operational Services Division, which among other things sets up cover arrangements for clandestine officers; and the Technical Services Division, which produces in its own laboratories the gimmicks of the spy trade—the disguises, miniature cameras, tape recorders, secret writing kits, and the like.

The Directorate of Management and Services, formerly the Directorate of Support, is the Agency’s administrative and housekeeping...
component but, according to one former insider, "most of its budget and personnel is devoted to assisting the Clandestine Services in carrying out covert operations," contributing "in such areas as communications, logistics, and training."\(^{262}\) Within the Directorate:

The Office of Security provides physical protection for clandestine installations at home and abroad and conducts polygraph (lie detector) tests for all CIA employees and contract personnel and most foreign agents. The Office of Medical Services heals the sicknesses and illnesses (both mental and physical) of CIA personnel by providing "cleared" psychiatrists and physicians to treat agency officers; analyzes prospective and already recruited agents; and prepares "psychological profiles" of foreign leaders (and once, in 1971, at the request of the Watergate "plumbers," did a "profile" of Daniel Ellsberg). The Office of Logistics operates the agency's weapons and other warehouses in the United States and overseas, supplies normal office equipment and household furniture, as well as the more esoteric clandestine materiel to foreign stations and bases, and performs other housekeeping chores. The Office of Communications, employing over 40 percent of the Directorate of Management and Services' more than 5,000 career employees, maintains facilities for secret communications between CIA headquarters and the hundreds of stations and bases overseas. It also provides the same services, on a reimbursable basis, for the State Department and most of its embassies and consulates. The Office of Training operates the agency's training facilities at many locations around the United States, and a few overseas. . . . The Office of Personnel handles the recruitment and record-keeping for the CIA's career personnel.\(^{263}\)

The Directorate of Intelligence, counting some 3,500 employees, is concerned with the generation of finished intelligence products and the provision of certain services of common concern for the benefit of the entire intelligence community.\(^{264}\) The Directorate's principal units include an Operations Center (management and coordination), a secretariat for the United States Intelligence Board which the CIA Director chairs, an Intelligence Requirements Service (collection and needs), a Central Reference Service, a Foreign Broadcast Information Service (a world-wide radio television monitoring system), an Office of Operations, an Office of Current Intelligence (daily developments), an Office of Strategic Research (long-range planning), an Office of Economic Research, an Office of Basic and Geographical Research, an Imagery Analysis Service (photographic analysis), and a National Photographic Interpretation Center (run in cooperation with the Defense Department for analyzing photographs taken from satellites and high altitude spy planes).

The fourth and newest of the Agency's directorates, Science and Technology, employs about 1,300 people in carrying out basic research

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\(^{262}\) Ibid.

\(^{263}\) Ibid., pp. 73-74.

\(^{264}\) Ibid., p. 75.
and development functions, the operation of spy satellites, and intelligence analysis in highly technical fields. Composed of an Office of Scientific Intelligence, an Office of Special Activities, an Office of Research and Development, an Office of Electronics, an Office of Special Projects, an Office of Computer Services, and a Foreign Missiles and Space Activities Center, the Directorate has been credited with a leadership role in the development of the U-2 and SR-71 spy planes and "several brilliant breakthroughs in the intelligence-satellite field." In the areas of behavior-influencing drug and communications intercept systems development, the Directorate experienced a certain amount of controversy with regard to testing these entities within the domestic United States.

Beyond this structuring of the Central Intelligence Agency there have been a variety of unofficial affiliates in the service of the CIA—front groups, proprietary organizations, and well established social, economic, and political institutions which received Agency funds for assistance they provided or secretly transmitted such money to a third party for services rendered, at least until these practices were made public.

The CIA's best-known proprietaries were Radio Free Europe and Radio Liberty, both established in the early 1950s. The corporate structures of these two stations served as something of a prototype for other agency proprietaries. Each functioned under the cover provided by a board of directors made up of prominent Americans, who in the case of RFE incorporated as the National Committee for a Free Europe and in the case of RL as the American Committee for Liberation. But CIA officers in the key management positions at the stations made all the important decisions regarding the programming and operations of the stations.

Other CIA "businesses" which became apparent in the 1960s were the Agency's airlines—Air America, Air Asia, Civil Air Transport, Intermountain Aviation, and Southern Air Transport—and certain holding companies involved with these airlines or the Bay of Pigs effort, such as the Pacific Corporation and the Double-Chek Corporation. Then, in early 1967, the disclosure was made that the CIA had, for fifteen years, subsidized the nation's largest student organization, the National Student Association. This revelation heightened press interest in CIA fronts and conduits. Eventually it became known that the Agency channeled money directly or indirectly into a panoply of business, labor, and church groups, the universities, charitable organizations, and educational and cultural groups, including:

African American Institute

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Ibid., pp. 76–77.
288 Ibid., pp. 135, 137.
290 This list is drawn from Wise and Ross, op. cit., pp. 247n–248n.
American Council for International Commission of Jurists
American Federation of State, County and Municipal Employees
American Friends of the Middle East
American Newspaper Guild
American Society of African Culture
Asia Foundation
Association of Hungarian Students in North America
Committee for Self-Determination
Committee of Correspondence
Committee on International Relations
Fund for International Social and Economic Education
Independent Research Service
Institute of International Labor Research
International Development Foundation
International Marketing Institute
National Council of Churches
National Education Association
National Student Association
Paderewski Foundation
Pan American Foundation (University of Miami)
Frederick A. Praeger, Publishers
Radio Free Europe
Radio Liberty
Synod of Bishops of the Russian Church Outside Russia
United States Youth Council
Andrew Hamilton Fund
Beacon Fund
Benjamin Rosenthal Foundation
Borden Trust
Broad-High Foundation
Catherwood Foundation
Chesapeake Foundation
David, Joseph and Winfield Baird Foundation
Dodge Foundation
Edsel Fund
Florence Foundation
Gotham Fund
Heights Fund
Independence Foundation
J. Frederick Brown Foundation
J. M. Kaplan Foundation
Jones-O'Donnell, Kentfield Fund
Littauer Foundation
Marshall Foundation
McGregor Fund
Michigan Fund
Monroe Fund
Norman Fund
Pappas Charitable Trust
Price Fund
Robert E. Smith Fund
San Miguel Fund
Sidney and Esther Rabb Charitable Foundation
Tower Fund
Vernon Fund
Warden Trust
Williford-Telford Fund

In addition to these domestically based entities, a number of foreign beneficiaries of CIA funds were revealed as well. Probably others have been disclosed which are not recorded here. Undoubtedly persistent research and investigation will unearth additional entries for this roster. However, to the extent that details regarding the organization of the Central Intelligence Agency remain cloaked in secrecy, the identity of the unofficial affiliates of the CIA will continue to be elusive.

XII. Defense Intelligence

Since World War II, the intelligence organization of the Department of Defense and the armed services has been subject to a variety of changes which have sought to reduce the independence of the nation’s fighting forces by unifying their administration with a view toward promoting a more effective use of resources. This effort began in a grand manner with the creation of the National Military Establishment and the Office of the Secretary of Defense in 1947 (61 Stat. 495) and the institution of the Department of Defense two years later (63 Stat. 578). Intelligence was but one common defense function which was greeted by the unification trend.

At the end of World War II the Joint Chiefs of Staff decided to continue the Joint Intelligence Committee created in 1942 as a coordinating mechanism. With the demise of the Office of Strategic Services in 1945, the Joint Chiefs created the Joint Intelligence Group (sometimes referred to as J-2) within its Joint Staff authorized by the National Security Act of 1947 (61 Stat. 505). In 1961 the Joint Intelligence Group was supplanted by the newly created Defense Intelligence Agency which assumed the role of principal coordinator for intelligence matters among the armed services.

Until 1961, coordination with the civilian side of the Department of Defense was maintained through the Defense Secretary’s Assistant for Special Operations, who served as principal aide to the Secretary and Deputy Secretary on all matters pertaining to the national intelligence effort. The office of Assistant for Special Operations rather suddenly disappeared in the aftermath of the Bay of Pigs disaster in 1961. Another arrangement, never publicized, was made for a special assistant to the Defense Secretary to supervise these activities. He represented the Secretary on special interdepartmental intelligence boards and committees.271

Intelligence coordination matters were given a significant impetus in 1972 when an Assistant Secretaryship was created to supervise “Defense intelligence programs through the entire management cycle, from initial research and development through programming, budget-

271 Ransom, op. cit., p. 102.
it later hired separately, and housed itself in their buildings.\textsuperscript{274}

The success of the unified approach to cryptology evidenced by the operations of the Armed Forces Security Agency warranted an expansion of that institution to include cryptosystems outside of the Defense Department, such as those maintained by State. Accordingly, President Truman promulgated a classified directive creating the National Security Agency on November 4, 1952, abolishing the Armed Forces Security Agency, and transferring its assets and personnel to the new successor. Such an aura of official secrecy surrounded NSA that no acknowledgement of its existence appeared in the government organization manuals until 1957 when a brief, but vague, description was offered. In brief, according to one expert, NSA “creates and supervises the cryptography of all U.S. Government agencies” and “it interprets, traffic-analyzes, and cryptanalyzes the messages of all other nations, friend as well as foe.”\textsuperscript{275} It is the American Black Chamber reincarnated with the most highly sophisticated technology available, an estimated staff of 20,000 employees at its home base (Fort Meade, Maryland) with between 50,000 to 100,000 persons in its service overseas, and an annual budget thought to range between $1 and $1.2 billion.\textsuperscript{276}

According to best estimates, the National Security Agency is organized into three operating divisions—the Office of Production (code and cipher breaking), the Office of Communications Security (code and cipher production), and the Office of Research and Development (digital computing and radio propagation research, cryptanalysis, and development of communications equipment)—and supporting units for recruiting and hiring, training, and the maintenance of both physical and personnel security.\textsuperscript{277}

In November, 1971, President Nixon directed certain changes in the organization of the intelligence community, among them the creation of a “National Cryptologic Command” under the Director of the National Security Agency.\textsuperscript{278} The result of this announcement was the organization of the Central Security Service, comprised of the Army Security Agency, the Naval Security Group, and the U.S. Air Force Security Service with the NSA Director concurrently serving as the Chief/CSS. Apparently established to consolidate the cryptanalytic activities of the armed services, the official purpose of CSS, as stated in the FY 1973 Annual Defense Department Report to Congress, is to provide a unified, more economical, and more effective structure for executing cryptologic and related electronic operations previously conducted under the Military Departments. The Military Departments will retain administrative and lo-
also commander of the Defense attaché system and chairman of the weekly meetings of the Military Intelligence Board, composed of the chiefs of the four armed services. In addition to a General Counsel office, an Inspector General unit, and a Scientific Advisory Committee, the Defense Intelligence Agency presently consists of the following components which respond directly to the Director/Deputy Director leadership: Chief of Staff/Deputy for Management and Plans (policy development and coordination, plans, operations management and formulation of requirements for functional management systems), Deputy Director for Intelligence (including responsibility for all-source finished military intelligence but not scientific and technical intelligence, maintenance of target systems and physical vulnerability research, military capabilities, and current intelligence assessments, reporting, and warning), Deputy Director for Collection, Deputy Director for Scientific and Technical Intelligence, Deputy Director for Estimates, Deputy Director for Attaché and Human Resources, Deputy Director for Support (support activities and administrative services), Deputy Director for Information Systems (intelligence information and telecommunications systems), Deputy Director for Personnel, Comptroller, and the Defense Intelligence School created in 1962 and supervised by a commandant.273

The National Security Agency, an independently organized entity within the Department of Defense, is the product of efforts at unifying and coordinating defense cryptologic and communications security functions.

In the first postwar years, the cryptologic duties of the American armed forces reposed in the separate agencies of the Army, the Navy, and the Air Force. The Army, at least, charged its agency with maintaining “liaison with the Department of the Navy, Department of the Air Force, and other appropriate agencies, for the purpose of coordinating communication security and communication intelligence equipment and procedures.” Presumably the Navy and the Air Force units were similarly charged. This arrangement, which relied on internal desire instead of external direction, prolonged the abuses [once] hinted at by [General Douglas MacArthur’s World War II intelligence chief, Major General Charles A.] Willoughby. To rectify them and achieve the benefits of centralized control, the Defense Department in 1949 established the Armed Forces Security Agency. The A.F.S.A. took over the strategic communications-intelligence functions and the coordination responsibilities of the individual agencies. It left them with tactical communications intelligence, which can best be performed near the point of combat and not at a central location (except for basic system solutions), and with low-elevation communications security, which differs radically in ground, sea, and air forces. Even in these areas, A.F.S.A. backed them up. A.F.S.A. drew its personnel from the separate departmental agencies, though

ing, and the final process of follow-up evaluation . . . [and to provide] the principal point for management and policy coordination with the Director of Central Intelligence, the CIA, and other intelligence officials and agencies outside the Department of Defense. 272

The new Assistant Secretary of Defense (Intelligence) also has management overview responsibilities with regard to the Defense Intelligence Agency and the National Security Administration in terms of coordinating their programs with those of the other Defense Department intelligence functionaries. Established by a departmental directive (DoD 5105.21) dated August 1, 1961, the Defense Intelligence Agency is responsible for:

1. the organization, direction, management, and control of all Department of Defense intelligence resources assigned to or included within the DIA;

2. review and coordination of those Department of Defense intelligence functions retained by or assigned to the military departments. Over-all guidance for the conduct and management of such functions will be developed by the Director, DIA, for review, approval, and promulgation by the Secretary of Defense;

3. supervision of the execution of all approved plans, programs policies, and procedures for intelligence functions not assigned to DIA;

4. obtaining the maximum economy and efficiency in the allocation and management of Department of Defense intelligence resources. This includes analysis of those DOD intelligence activities and facilities which can be fully integrated or collected with non-DOD intelligence organizations;

5. responding directly to priority requests levied upon the Defense Intelligence Agency by USIB [United States Intelligence Board];

6. satisfying the intelligence requirements of the major components of the Department of Defense.

The Agency was a by-product of the post-Sputnik “missile gap” controversy of the late 1950s. Faced with disparate estimates of Soviet missile strength from each of the armed services which translated into what have been called self-serving budget requests for weapons for defense, the United States Intelligence Board created a Joint Study Group in 1959 to study the intelligence producing agencies. In 1960 this panel returned various recommendations, among which were proposals for the consignment of the defense departments to observer, rather than member, status on the Intelligence Board and the creation of a coordinating Defense Intelligence Agency which would represent the armed services as a member of USIB. Defense Secretary Robert McNamara adopted these proposals.

The Director of DIA functions as the principal intelligence staff officer to both the Secretary of Defense and the Joint Chiefs of Staff, reporting to the Secretary through the Joint Chiefs. The Director is

gistic support responsibilities for the military units involved, but these units will be managed and controlled by the CSS.\textsuperscript{279}

The 1971 intelligence community reorganization also called for the consolidation of all Defense Department personnel security investigations into a single Office of Defense Investigations. From this mandate a departmental directive (DoD 5103.42) dated April 18, 1972, was issued chartering the Defense Investigative Service. Operational as of October 1 of that year, the Service consists of a Director, a headquarters establishment, fourteen district offices and various subordinate field offices and resident agencies throughout the United States and Puerto Rico. The Service examines allegations of criminal and/or subversive behavior attributed to potential and actual Defense Department employees holding sensitive positions.

The 1971 reorganization “also directed that a Defense Map Agency be created by combining the now separate mapping, charting, and geodetic organizations of the military services in order to achieve maximum efficiency and economy in production.” The result of this mandate was the establishment of the Defense Mapping Agency on January 1, 1972, under the provisions of the National Security Act of 1947, as amended, with a Director responsible to the Secretary of Defense through the Joint Chiefs of Staff.

In the aftermath of these unification efforts within the defense establishment, each of the armed services continues to maintain an intelligence organization and their departments control their own intelligence production activities, particularly tactical or combat intelligence affecting their operations (cryptological, mapping, and pertinent personnel security investigation functions having been consolidated for administration as discussed above).

An Assistant Chief of Staff for Intelligence (G-2) has continued with the Army General Staff since World War II. This officer supervised the Army Intelligence Corps, which included both collection and analysis functions, and the Army Security Agency, established September 15, 1945 to execute cryptologic duties. In June, 1962, a major reorganization of Army intelligence operations brought about the merger of these two units into the Army Intelligence and Security Branch.

Prior to January 1, 1965, the Military District of Washington and each of the six Armies within the United States were responsible for counterintelligence activities throughout their geographic areas, and controlled an Intelligence Corps Group which carried on these activities. On January 1, 1965, the seven Intelligence Corps Groups were consolidated into a new major command—U.S. Army Intelligence Corps Command. About two months later it was redesignated the U.S. Army Intelligence Command.\textsuperscript{280}

This Command, located at Fort Holabird, Maryland, continues to function as a primary Army intelligence entity under G-2. The Army Security Agency appears to have less direct intelligence production

\textsuperscript{280} MacCloskey, \textit{op. cit.}, p. 100.
significance for G-2 in the aftermath of the 1971 reorganization when it was placed under the control of the Chief of the Central Security Service. Other Army agencies, such as the Army Transportation Corps, are capable of contributing an intelligence product should G-2 consult them regarding some aspect of their expertise. During the Army's most recent major commitment of forces in Southeast Asia, a combined intelligence organization was maintained in Vietnam. This structure was headed by an Assistant Chief of Staff, Military Assistance Command/Vietnam (J-2) who was responsible for exercising general staff supervision over all Army, Navy, Air Force, and Marine Corps intelligence activities as well as serving as Assistant Chief of Staff for Intelligence (G-2) to General William Westmoreland, Commanding General, U.S. Army/Vietnam.281

The Office of Naval Intelligence is currently called the Naval Intelligence Command and continues to report to the Chief of Naval Operations through the Command Support Programs Office.

The field organization for carrying out ONI's missions has three major components: (1) Naval District Intelligence officers, under the management control of ONI and operating in the United States and certain outlying areas; (2) intelligence organizations with the forces afloat, which are directly under unit commanders with over-all ONI supervision; and (3) naval attaché's functioning under ONI direction as well as State Department and Defense Intelligence Agency supervisions.

District intelligence officers operate primarily in counterintelligence and security fields. The District Intelligence Office (DIO) is directly responsible to the Naval District Commandant, with additional duty in some areas on the staff of the commander of the sea frontier of his district. Civilian agents usually are assigned to the district intelligence officers along with naval intelligence officers, and the former conduct security and major criminal investigations involving naval personnel or material.

With the forces afloat or in overseas bases, flag officers in command of each area, fleet, or task force have staff intelligence sections functioning primarily in the operational or tactical intelligence field. The intelligence officer who heads this staff section works not only for the unit commander, but also performs some collection missions for ONI.

Naval attachés, trained by ONI in intelligence and languages, collect naval intelligence for ONI as well as serve the diplomatic chief at the post to which they are assigned.282

While ONI serves certain of its intelligence needs, the Marine Corps "maintains a small intelligence staff in its headquarters, and intelligence officers are billeted throughout the corps" and these personnel


282 Ransom, op. cit., pp. 119-120.
“are concerned primarily with tactical, or operational, rather than national intelligence.”

Transferred to the Navy Department for wartime service in 1941 (E.O. 8929), the Coast Guard was returned to the Treasury Department in 1946 (E.O. 9666) and has maintained a very small intelligence unit “mainly concerned with port security, keeping subversive elements out of the Merchant Marine and off the waterfronts, enforcing Coast Guard laws and insuring the internal security of the Coast Guard.”

When the United States Air Force became a separate service apart from the Army in 1947, a general staff directorate—called the Air Staff—was instituted with an Assistant Chief of Staff for Intelligence (ACS/I and sometimes still unofficially referred to as A-2). This officer supervises an immediate office organized into a Special Advisory Group (a “brains trust” designed to keep the ASC/I abreast of scientific, technical, and strategic matters of prime concern to the air arm), a data-handling systems group, a policy and programs unit, a resources management component, a collection directorate, and a strategic estimates directorate. The ASC/I has also held staff supervision authority of the USAF Security Service (personnel and physical security) and the Aeronautical Chart and Information Center (aeronautical charts, graphic air target materials, flight information publications and documents, terrain models, maps, evaluated intelligence on air facilities, geodetic and geophysical data, and related cartographic services). Overseas attaches are administered through the collection directorate which at one time included a Reconnaissance Division, acknowledged to be “charged with overseeing the development of the latest ‘spy-in-the-sky’ equipment, some of it exotic.” This entity may have been displaced by the National Reconnaissance Office, an Air Force intelligence agency only recently disclosed to exist, which reportedly operates satellite intelligence programs for the entire intelligence community on a budget estimated at more than $1.5 billion a year.

XIII. State Department

The formal intelligence organization of the Department of State began with the liquidation of the Office of Strategic Services.

By an Executive order [E.O. 9621] of September 20, 1945, President Truman terminated the Office of Strategic Services and transferred its research and analysis branch and presentation branch to an Interim Research and Intelligence Service in the Department of State. At the same time there was established the position of Special Assistant to the Secretary of State in charge of Research and Intelligence. Acting Secretary [Dean] Acheson announced on September 27 the appointment of Colonel Alfred McCormack, Director of Military Intelligence in the War Department, as Special Assistant to set up the new agency.

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283 Ibid., p. 119.
284 Ottenberg, op. cit., p. 138.
286 Marchetti and Marks, op. cit., p. 90.
Colonel McCormack explained the work of the Department's agency as mainly a research program. "The intelligence needed by the State Department" he declared, "is primarily information on the political and economic factors operating in other countries of the world, and on the potential effect of those factors in relations with this Government." He estimated that approximately 1,600 OSS personnel were transferred to State, a number soon reduced by about 50 percent. Two offices were created, an Office of Research and Intelligence under Dr. Sherman Kent, with five geographical intelligence divisions corresponding roughly to the Department's geographic organization, and the Office of Intelligence Collection and Dissemination under Colonel George R. Fearing, who had served with distinction as an intelligence officer with the army. Colonel McCormack indicated that most of the work would be done in Washington, but that from fifty to seventy-five representatives with special training would be attached to embassies overseas to do particular types of work. As examples of the work done, Colonel McCormack cited the report made on the transportation system of North Africa, which was invaluable to the American forces of invasion, and a study of the industrial organization and capacity of Germany.

Once created, the intelligence program underwent a series of revisions and modifications. For example, established as a self-sufficient intelligence unit on a geographic basis, the service was changed in April, 1946, in accordance with the so-called Russell Plan, so that the geographic intelligence functions were transferred to the political offices, thereby limiting the functions of the Office of Intelligence and Research to matters which cut across geographic lines. At the same time an Office of Intelligence Coordination and Liaison was established to formulate, in consultation with the geographic and economic offices, a Departmental program for basic research. The day after the Departmental regulations making this radical change were issued, Colonel McCormack resigned on the ground that he regarded the new organization as unworkable and unsound and felt that it would make impossible the establishment of a real intelligence unit within the Department. On February 6, 1947, the original type of organization was reinstated when the Office of Intelligence and Liaison was changed to the Office of Intelligence Research and the geographical divisions were restored to its jurisdiction.287

While a variety of reorganizations have shaped the unit during the succeeding years, the Bureau of Intelligence and Research, which the component has been designated since 1957, is the principal intelligence agency of the State Department. This status, however, should be qualified: the State Department does not engage in intelligence collection other than the normal reporting from diplomatic posts in foreign countries, though it has provided cover for CIA staff attached to U.S. diplo-

287 Stuart, op. cit., pp. 429-430.
matic posts. As one authority has commented: "The Department of State since World War II serves as a minor producer and major consumer within the new intelligence community."⁵³⁸

Holding status equivalent to that of an Assistant Secretary, the Director of the Bureau functions as senior intelligence adviser to the Secretary of State, departmental representative on the U.S. Intelligence Board, and chief of the intelligence staff at State. Recently reorganized in 1975, the Bureau is composed of two directorates and three supporting offices. These are:

The Directorate for Research, organized into five regional units (Africa, American Republics, East Asia and Pacific, Europe and the Soviet Union, Near East and South Asia), three functional components (Economic Research and Analysis, Strategic Affairs, Political/Military and Theater Forces), and the Office of the Geographer. The Directorate is responsible for finished intelligence products;

The Directorate for Coordination, consisting of an Office of Intelligence Liaison, Office of Operations Policy, and Office of Resources Policy, conducts liaison and clearances with other agencies of the Federal government on matters of departmental intelligence interest, activity, policy impact, and resource allocation;

The Office of the Executive Director, a support unit responsible for administrative functions.

The Office of External Research another support entity which encourages and contracts for non-governmental research in the behavioral and social agencies; and

The Office of Communications and Information handling which, in its support role, manages sensitive intelligence documents (security) and operates the Department’s watch center for monitoring international crisis developments.⁵³⁹

XIV. President’s Foreign Intelligence Advisory Board

Established as an impartial group of distinguished citizens who would meet periodically to review the activities and operations of the intelligence community, the President’s Foreign Intelligence Advisory Board is officially mandated to:

(1) advise the President concerning the objectives, conduct, management and coordination of the various activities making up the overall national intelligence effort;

(2) conduct a continuing review and assessment of foreign intelligence and related activities in which the Central Intelligence Agency and other Government departments and agencies are engaged;

(3) receive, consider and take appropriate action with respect to matters identified to the Board, by the Central Intelligence Agency and other Government departments and agencies of the intelligence community, in which the support

⁵³⁸ Ransom, op. cit., p. 135.
of the Board will further the effectiveness of the national intelligence effort; and

(4) report to the President concerning the Board’s findings and appraisals, and make appropriate recommendations for actions to achieve increased effectiveness of the Government’s foreign intelligence effort in meeting national intelligence needs.290

The current PFIAB is the successor to the President’s Board of Consultants on Foreign Intelligence Activities created (E.O. 10656) in early 1956 out of a mixed motivation which sought to respond to a recommendation of the (Hoover) Commission on Organization of the Executive Branch of Government calling for “a committee of experienced private citizens, who shall have the responsibility to examine and report to [the President] periodically on the work of Government foreign intelligence activities.”291 The PBCFIA was also established out of concern over congressional efforts then underway to institute a joint committee on the CIA to carry out oversight duties with regard to the intelligence community.292

Composed of eight members, the Board of Consultants met a total of nineteen times during its tenure under President Eisenhower, five sessions being held with Chief Executive, and submitted over forty-two major recommendations regarding the functioning of the intelligence community. As a matter of formality, the panel submitted resignations on January 7, 1961, in anticipation of the new Kennedy Administration.

Inactive during the next four months, the unit was revitalized (E.O. 10938) in the aftermath of the Bay of Pigs fiasco and given its present designation, the President’s Foreign Intelligence Advisory Board. Provision was also made for the payment of compensation to the PFIAB members, in addition to expenses incurred in connection with the work of the panel. While President Johnson maintained the Board under its 1961 mandate, President Nixon prescribed (E.O. 11460) specific functions for the group during his first year in office. President Ford has continued the operations of the PFIAB under this directive. The unit currently meets on the first Thursday and Friday of every other month, is assisted by a small staff, and utilizes occasional ad hoc committees or work groups to organize some aspects of its work.

XV. Loyalty-Security

While domestic loyalty and security matters with regard to potential and actual Federal employees had been treated with concern during World War II, investigations in pursuit of these ends became more vigorous with the onset of the Cold War and the “Communist menace” perceived in the late 1940s and 1950s.293 The signal for this

291 See U.S. Commission on Organization of the Executive Branch of Government. Intelligence Activities: A Report to the Congress. Washington, U.S. Govt. Print. Off., 1955, pp. 1, 59-65, 71. [References also include the recommendations of the Commission’s Task Force on Intelligence Activities which are included in the cited document.]
292 Kirkpatrick, op. cit., pp. 34, 61.
heightened probing of public employee political sentiments, generally conducted by the Civil Service Commission's Bureau of Personnel Investigations and the Federal Bureau of Investigation (some agencies, such as the Atomic Energy Commission and the armed service departments, had their own personnel investigative services), was probably President Truman's March 21, 1947 directive (E.O. 9835) establishing a government-wide loyalty-security program and an organizational framework for its administration.

When President Truman issued his 1947 executive order initiating the loyalty-security program for federal employees, he struck a new note in the expanded concept of executive powers. In all previous peacetime loyalty-testing experience, Congress rather than President had taken the lead. Controversy greeted the order. Some critics condemned it as totally unnecessary, others as needful but excessively rigorous, and still others as too mild. Truman may well have headed off more stringent congressional action in this arena, but [Former Interior Secretary Harold] Ickes insisted that the order resulted from cabinet hysteria engendered by Attorney General Tom C. Clark's pressures upon the President. The listing of alleged subversive organizations, association with which equated "disloyalty" for a federal official, by the Attorney General has been one of the most fertile sources of disagreement. Never before in American history, even during war crises, had the government officially established public black lists for security purposes.

The vast literature supporting and condemning the executive loyalty order has searched deeply into complex and contradictory aspects of contemporary American life. American liberals had long crusaded for the kind of executive initiative that Truman exhibited, but exempted the field of civil rights from governmental interference even in the cause of security. Conservatives, who decried extensions of federal functions, demanded that the security program increase in rigor, scope, and effectiveness. Disagreement centers upon the means the program used rather than the ends it sought. The nation's servants, it seemed, could not have their positions and at the same time enjoy traditional privileges of citizenship.274

In brief, the president's order required a loyalty investigation of every individual entering Federal employment; this inquiry was to be conducted by the Civil Service Commission in most cases; sources to be consulted in such a probe included FBI, Civil Service, armed forces intelligence, and House Committee on Un-American Activities Committees files as well as those of "any other appropriate government investigative or intelligence agency," pertinent local law-enforcement holdings, the applicant's school, college, and prior employment records, and references given by the prospective employee. Department and agency heads were responsible for removing disloyal employees and appointed loyalty boards composed of not less than three representatives from their unit to hear loyalty cases. A Loyalty Re-

view Board within the Civil Service Commission examined cases
where an employee was being dismissed from the Federal government
for reason of disloyalty.

Activities and associations of an applicant or employee which might
be considered in connection with the determination of disloyalty in-
clude one or more of the following:

a. Sabotage, espionage, or attempts or preparations there-
for, or knowingly associating with spies or saboteurs;
b. Treason or sedition or advocacy thereof;
c. Advocacy of revolution or force or violence to alter the
constitutional form of government of the United States;
d. Intentional, unauthorized disclosure to any person,
under circumstances which may indicate disloyalty to the
United States, of documents or information of a confidential
or non-public character obtained by the person making the
disclosure as a result of his employment by the Government
of the United States;
e. Performing or attempting to perform his duties, or
otherwise acting so as to serve the interests of another gov-
ernment in preference to the interests of the United States;
f. Membership in, affiliation with or sympathetic associa-
tion with any foreign or domestic organization, association,
movement, group or combination of persons, designated by
the Attorney General as totalitarian, fascist, communist, or
subversive, or as having adopted a policy of advocating or ap-
proving the commission of acts of force or violence to deny
other persons their rights under the Constitution of the
United States, or as seeking to alter the form of government
of the United States by unconstitutional means.

While the program raised a variety of questions regarding the civil
rights of Federal employees, it also generated a cache of information
of intelligence interest (but of questionable quality).

The loyalty-testing problem remained to face Republican
President Dwight Eisenhower. Soon after he assumed office,
Eisenhower modified the loyalty-testing program. His 1953
directive [E.O. 10450] decentralized the security apparatus
to the agency level and altered the criteria for dismissal to
include categories of security risks—homosexuals, alcoholics,
persons undergoing psychiatric treatment—without refer-
ence to subversion. But security risk and disloyalty had al-
ready become a fixed duo in the public mind. The Eisenhower
modification [which eliminated the Loyalty Review Board] did not basically alter the loyalty-testing structure.

Other executive orders and legislative requirements have
extended loyalty-security processes to passport applicants,
port employees, industrial workers, American officials in the
United Nations, recipients of government research grants,
and scientists engaged in official research and development
programs. The military services and the Atomic Energy Com-
mission [recently dissolved to form the Energy Research

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See 12 F.R. 1935.
and Development Administration and the Nuclear Regulatory Commission] conduct their own clearance procedures.

The American national government, in short, has been involved in an unending, [almost two] dozen-year-long search for subversives. How effective this drive has been no one has yet satisfactorily proved.\textsuperscript{296}

The Civil Service Commission continues to conduct most of these investigations for the majority of Federal agencies; the Defense Investigative Service performs the personnel clearance function for Defense Department employees and may provide assistance to other entities in these matters at the direction of the Secretary of Defense.

XVI. Watergate

In the early morning hours of June 17, 1972, Washington, D.C., Metropolitan Police, responding to a request for assistance from a security guard, apprehended and arrested five men who had illegally entered the headquarters suite of the Democratic National Committee located in the Watergate Hotel complex. Approximately three months later these individuals, and two others who had escaped detection at the arrest scene, were indicted. These were, as is now known, burglars with an intelligence mission, authorized by some of the most powerful officials in the Federal government. Inquiries into this incident by law enforcement and congressional investigators subsequently revealed a most unusual and legally questionable intelligence organization.\textsuperscript{297}

\textsuperscript{296} Hyman, op. cit., pp. 335–356.

\textsuperscript{297} The major congressional investigators of Watergate matters were the Senate Select Committee on Presidential Campaign Activities and the House Judiciary Committee. The most useful materials produced by these panels regarding organizational considerations were:


Other relevant published congressional materials generated by other committees include the following:


(Continued)
Sometime in 1970, the White House, concerned, in part, about increasing domestic protests and acts of violence as well as recent leakages of national security information embarrassing to the Administration, produced a top secret study entitled “Operational Restraints on Intelligence Collection.” Authored by Tom Charles Huston, assistant counsel to the President and White House project officer on security programs, this paper (commonly referred to as the “Huston Plan”) suggested techniques for making domestic intelligence operations more effective, perhaps to curtail violent protests or to identify those responsible for or otherwise trafficking in leaked national security materials. Among the recommendations offered in the document were increased use of electronic surveillances and penetrations (“existing coverage is grossly inadequate”), mail coverage, and surreptitious entries (break-ins). Huston was quite candid about the implications of these undertakings, saying:

Covert [mail] coverage is illegal and there are serious risks involved. However, the advantages to be derived from its use outweigh the risks. This technique is particularly valuable in identifying espionage agents and other contacts of foreign intelligence services.

And with regard to break-ins:

Use of this technique is clearly illegal; it amounts to burglary. It is also highly risky and could result in great embarrassment if exposed. However, it is also the most fruitful tool and can produce the type of intelligence which cannot be obtained in any other fashion.298

When his report was completed, Huston, apparently forwarded it for scrutiny by the President.

On July 14, 1970, [White House Chief of Staff H. R.] Haldeman sent a top secret memorandum to Huston, notifying him of the President’s approval of the use of burglaries,

(Continued)
illegal wiretaps and illegal mail covers for domestic intelligence. In the memorandum, Haldeman stated:

The recommendations you have proposed as a result of the review, have been approved by the President. He does not, however, want to follow the procedure you outlined on page 4 of your memorandum regarding implementation. He would prefer that the thing simply be put into motion on the basis of this approval. The formal official memorandum should, of course, be prepared and that should be the device by which to carry it out. . . . [emphasis added]

It appears that the next day, July 15, 1970, Huston prepared a decision memorandum, based on the President's approval, for distribution to the Federal intelligence agencies involved in the plan—the FBI, the CIA, the National Security Agency and the Defense Intelligence Agency. In his May 22, 1973, public statement, the President reported that the decision memorandum was circulated to the agencies involved on July 23, 1970. However, the decision memorandum is dated July 15, 1970, indicating that it was forwarded to the agencies on that day or shortly thereafter.

Huston's recommendations were opposed by J. Edgar Hoover, Director of the FBI. Hoover had served as the chairman of a group comprised of the heads of the Federal intelligence agencies formed to study the problems of intelligence-gathering and cooperation among the various intelligence agencies. In his public statement of May 22, 1973, President Nixon stated:

After reconsideration, however, prompted by the opposition of Director Hoover, the agencies were notified 5 days later, on July 28, that the approval had been rescinded.

Haldeman's testimony [before the Senate Select Committee on Presidential Campaign Activities] is to the same effect. [White House Counsel John] Dean, however, testified that he was not aware of any rescission of approval for the plan and there apparently is no written record of a rescission on July 28 or any other date. There is, however, clear evidence that, after receipt of the decision memorandum of July 15, 1970, Mr. Hoover did present strong objections concerning the plan to Attorney General Mitchell.\textsuperscript{299}

Huston attempted to counter Hoover's arguments in a memorandum to Haldeman dated August 5, eight days after the President allegedly ordered the rescission, in which he indicated "that the NSA, DIA, CIA and the military services basically supported the Huston recommendations."\textsuperscript{300}

Later, on September 18, 1970 (almost 2 months after the President claims the plan was rescinded), Dean sent a top
secret memorandum to the Attorney General suggesting certain procedures to "commence our domestic intelligence operation as quickly as possible." [emphasis added] This memorandum specifically called for the creation of an Inter-Agency Domestic Intelligence Unit which had been an integral part of the Huston plan. Dean's memorandum to the Attorney General observed that Hoover was strongly opposed to the creation of such a unit and that it was important "to bring the FBI fully on board." Far from indicating that the President's approval of Huston's recommendation to remove restraints on illegal intelligence-gathering had been withdrawn, Dean, in his memorandum, suggested to the Attorney General:

I believe we agreed that it would be inappropriate to have any blanket removal of restrictions; rather, the most appropriate procedure would be to decide on the type of intelligence we need, based on an assessment of the recommendations of this unit, and then proceed to remove the restraints as necessary to obtain such intelligence. [emphasis added] 301

The Inter-Agency Domestic Intelligence Unit was never realized and it is difficult to determine if any other recommendation from the Huston Plan was directly implemented. Nevertheless, the document may have functioned as an intellectual stimulant to those high officials subsequently involved in the Watergate scandals. Huston left the White House sometimes in 1971 and returned to private law practice in Indianapolis. FBI Director J. Edgar Hoover, the principal critic and opponent of the Huston Plan, died on May 2, 1972.

Out of this background, a number of intelligence organizational developments began to occur in and around the White House.

In June 1971, the leak of the Pentagon Papers prompted the President to create a special investigations unit (later known as the Plumbers) inside the White House under the direction of Egil Krogh. Krogh, in turn, was directly supervised by [Assistant to the President] John Ehrlichman. Krogh was soon joined by David Young and in July the unit, staffing up for a broader role, added G. Gordon Liddy and E. Howard Hunt, both known to the White House as persons with investigative experience. Liddy was a former FBI agent; Hunt, a former CIA agent. 302

Probably the first such White House intelligence component in history, the special investigations unit planned and executed the burglary of the office of Dr. Daniel Ellsberg's psychiatrist, Dr. Lewis J. Fielding. Liddy, Hunt, and two of their Cuban-American recruits later broke into the Democratic National Committee headquarters in the Watergate Hotel complex. 303

The Committee to Re-Elect the President [headed by former Attorney General John Mitchell and, together with the Finance Committee for the Re-Election of the President, 301 Ibid., pp. 5-6. 302 Ibid., p. 12. 303 Ibid., pp. 12-13.
counting some 35 former White House aides among its personnel] was gearing up for its own political intelligence-gathering program around the same time as the Ellsberg break-in. In September 1971, John Dean asked [former Special Assistant to the President] Jeb Stuart Magruder to join him for lunch with Jack Caulfield. Caulfield, a White House investigator who had conducted numerous political investigations, some with [former New York City policeman] Anthony Ulasewicz [who had conducted investigations for Ehrlichman], wanted to sell Magruder his political intelligence plan, "Project Sandwedge," for use by CRP. Magruder had been organizing the campaign effort since May 1971, having received this assignment from Mitchell and Haldeman. In essence, the Sandwedge plan proposed a private corporation operating like a Republican "Intertel" [a private international detective agency] to serve the President's campaign. In addition to normal investigative activities, the Sandwedge plan also included the use of bagmen and other covert intelligence-gathering operations.304

While Caulfield had proposed Sandwedge to the White House in the spring of 1971 and later had proposed its adoption by the Committee to Re-Elect the President, the plan was rejected in both instances.

With Sandwedge rebuffed, Magruder and Gordon Strachan of Haldeman's staff asked Dean to find a lawyer to serve as CRP general counsel who could also direct an intelligence-gathering program. Magruder stated [before the Senate Select Committee on Presidential Campaign Activity] that he and Dean had, on previous occasions, discussed the need for such a program with Attorney General Mitchell. The man Dean recruited was G. Gordon Liddy, who moved from the special investigations unit in the White House to CRP. Magruder testified that, when Dean sent Liddy to the Committee To Re-Elect the President in 1971, he (Magruder) was unaware of Liddy's activities for the Plumbers, particularly his participation in the break-in of Dr. Fielding's office.305

Once in place at CRP headquarters, Liddy's principal efforts were devoted to developing, advocating and implementing a comprehensive political intelligence-gathering program for CRP under the code name "Gemstone."306 Ultimately a version of this plan—calling for surreptitious entry and bugging of Democratic National Committee headquarters in Washington and later, if sufficient funds were available, penetration of the headquarters of Democratic presidential contenders and the Democratic convention facilities in Miami—was executed with the Watergate break-in on May 28, 1972.307

Other intelligence activities were directly undertaken by members of the White House staff during the period of the first Nixon Administration. These operations included electronic surveillance matters, moni-

304 Ibid., p. 17.
305 Ibid., p. 18.
306 Ibid., p. 20.
toring and investigating the behavior of Senator Edward Kennedy (D.-Mass.) and Dr. Daniel Ellsberg with a view to causing them public discredit, burglarizing and possibly damaging the Brookings Institution, and probing individuals both within and outside of the government in a clandestine manner to determine their involvement in the disclosure of a memorandum written by ITT lobbyist Dita Beard (columnist Jack Anderson had alleged that a $400,000 contribution to the Nixon campaign was linked to the document to a favorable ruling by the Justice Department on ITT's antitrust difficulties). 368

In addition, White House staff, in pursuit of political intelligence, enlisted the assistance of certain government agencies. These actions resulted in what has been described as "attempts to abuse governmental process." 369 Agencies utilized in this manner by White House personnel included the Internal Revenue Service (harassment of political enemies, identification of sensitive cases, and supplying privileged information from taxpayer returns), the Federal Bureau of Investigation (supplying derogatory information about individuals from raw investigative files), the Antitrust Division of the Justice Department (supplying sensitive or derogatory information about individuals or groups), the Secret Service (wiretaps, surveillance information, and sensitive political information), and the Federal Communication Commission (media harassment). 370

This, in general, was an important part of the organization of the White House intelligence forces during the Nixon tenure in the presidency. A portion of it was lost with the arrest of the Watergate burglars; the remaining portion slowly crumbled with investigations into its existence and operations by Congress and Federal prosecutors.

XVII. Justice Department

The Justice Department is presently organized into eight offices (legislative affairs, management and finance, legal counsel, policy and planning, public information, the community relations service, the pardon attorney, and the executive office for the U.S. attorneys), two boards (parole and immigration appeals), six prosecutorial divisions (civil, criminal, antitrust, tax, land and natural resources, and civil rights), and six bureaus (FBI, Law Enforcement Assistance Administration, Drug Enforcement Administration, Immigration and Naturalization Service, the United States Marshals Service, and the Bureau of Prisons/Federal Prison Industries). Certain of these units have the potential for intelligence production, perhaps in the course of developing materials (in the case of the divisions) or by virtue of their particular information holdings (such as the files of the Immigration and Naturalization Service). The principal intelligence (and investigative) component within the Justice Department, however, is the FBI. 371

Both the Attorney General and the Director of the FBI have responsibilities for the coordination of intelligence activities within the De-

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368 See Ibid., pp. 111-113, 117-129.
369 Ibid., p. 130.
370 Ibid., pp. 130-150.
371 It should also be noted that the mandate of the Drug Enforcement Administration provides that agency with a specified intelligence function (Reorganization Plan No. 2 of 1973 [87 Stat. 1091] and E.O. 11727).
partment and with other Federal agencies. Organizational efforts in service to this duty exhibited themselves in 1967 when Attorney General Ramsey Clark created the Interdivision Information Unit for "reviewing and reducing to quickly retrievable form all information that may come to this Department relating to organizations and individuals throughout the country who may play a role, whether purposefully or not, either in instigating or spreading civil disorders or in preventing or checking them." While this entity received and indexed information from a variety of sources (Federal poverty programs, the Labor and Post Office Departments, the Internal Revenue Service, and the neighborhood legal services offices), an Intelligence Evaluation Committee, composed of representatives from Justice, Defense, and the Service, was supposed to coordinate and evaluate the information but proved to be a rather inactive entity.

In July of 1969, Attorney General John Mitchell established the Civil Disturbance Group to coordinate intelligence, policy, and operations within the Justice Department with regard to domestic civil disturbances. Both the Interdivision Information Unit and the Intelligence Evaluation Committee were placed under the new panel's jurisdiction and Mitchell asked the CIA to "investigate the adequacy of the FBI's collection efforts in dissident matters and to persuade the FBI to turn over its material to the CDG."

In 1970 the moribund Intelligence Evaluation Committee was reconstituted with representatives from Justice, FBI, CIA, Defense, Secret Service, NSA, and late in its activities, a Treasury member. Technically, Robert Mardian, Assistant Attorney General for Internal Security, was chairman of the reconstituted panel but White House Counsel John Dean also played a leadership role with the group and meetings were held at his office on various occasions.

The IEC was not established by Executive Order. In fact, according to minutes of the IEC meeting on February 1, 1971, Dean said he favored avoiding any written directive concerning the IEC because a directive "might create problems of Congressional oversight and disclosure." Several attempts were nevertheless made to draft a charter for the Committee, although none appears to have been accepted by all of the IEC members. The last draft which could be located, dated February 10, 1971, specified the "authority" for the IEC as "the Interdepartmental Actional Plan for Civil Disturbances," something which had been issued in April 1969 as the result of an agreement between the Attorney General and the Secretary of Defense. Dean thought it was sufficient just to say that the IEC existed "by authority of the President."

By the end of January, 1971, a staff had been organized for the Committee and did "the work of coordination, evaluation and preparation of estimates for issuance by the Committee." For cover pur-

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283 U.S. Commission on CIA Activities Within the United States, op. cit., p. 118.
284 Ibid., p. 119.
285 Ibid., p. 121.
286 Ibid., p. 126.
287 Ibid., p. 127.
poses, the IES was attached to the Interdivision Information Unit, even though the Unit was not actually involved in the operations of the Staff.

The Intelligence Evaluation Committee met on only seven occasions; the last occasion was in July 1971. The Intelligence Evaluation Staff, on the other hand, met a total of one hundred and seventeen times between January 29, 197X, and May 4, 1973.

The IES prepared an aggregate of approximately thirty studies or evaluations for dissemination. It also published a total of fifty-five summaries called intelligence calendars of significant events. The preparation of these studies, estimates or calendars was directed by John Dean from the White House or by Robert Mardian as Chairman of the IEC.317

Both the IEC and the IES were terminated in July, 1973, by Assistant Attorney General Henry Petersen.318

The Department's principal intelligence (and investigative) agency, the FBI, currently employs over 8,400 special agents.

All operations of the FBI are directed and coordinated through 13 headquarters divisions. Each of the headquarters divisions reports to either the Assistant to the Director-Deputy Associate Director (Administration) or the Assistant to the Director-Deputy Associate Director (Investigation) except for the Inspection Division and the Office of Planning and Evaluation which report directly to the Associate Director. The field operations are carried out by 59 field offices located throughout the United States and Puerto Rico.319

Other special unit facilities of the Bureau include the FBI Laboratory, established in 1932, the FBI Academy for training new agents, created in 1935, and the National Crime Information Center, a computerized criminal information system operated by the FBI since December, 1970.

Although the FBI relinquished overseas operations in 1946, the bureau still maintains overseas liaison agents with other security and intelligence agencies to insure a link between cases or leads which develop overseas but which come to rest in the continental United States. In the aftermath of the American intervention in the Dominican Republic crisis in 1965, there were reports that President Johnson had assigned FBI agents to certain missions on that island. If so—and the reports were never confirmed—such a mission was limited and temporary.320

At present the Bureau maintains liaison posts in sixteen foreign countries.321 There has also been a recent disclosure that the FBI

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317 Ibid.
318 Ibid., p. 128.
320 Ransom, op. cit., p. 145.
periodically dispatches private citizens on intelligence gathering missions outside of the United States.322

In January, 1973, the Bureau re-established its Liaison Section which keeps in constant communication with other agencies of the intelligence community, Director Hoover had abolished the unit in September, 1970, reportedly due to a dispute with the Central Intelligence Agency over a refusal to disclose an intelligence source.323

Responsible for criminal, civil, and internal security investigations, the FBI conducted 745,840 such probes in FY 1974 and 774,579 such inquiries the previous fiscal year.324

Until his death on May 2, 1972, the Bureau was headed by J. Edgar Hoover. L. Patrick Gray III was named Acting Director the following day and ultimately nominated for the permanent position on February 17, 1973. Controversy over Gray's involvement in Watergate-related matters caused him to request the withdrawal of his nomination on April 5 and he resigned as Acting Director on April 27. He was succeeded by William D. Ruckelshaus, Administrator of the Environmental Protection Agency, who served as Acting Director until Kansas City (Mo.) Police Chief Clarence M. Kelley, nominated June 7, was confirmed to head the FBI on June 27, 1973.

One other Justice Department unit which has exhibited increasing intelligence importance is the Drug Enforcement Administration. Created by reorganization plan (87 Stat. 1091) in 1973, the agency is only beginning its intelligence operations and recently provided the following account regarding this aspect of its activities.

Our objectives with respect to the intelligence program have been to begin the routine production of strategic intelligence reports, to design and implement regional intelligence units, to build an intelligence oriented data base through the production of finished tactical intelligence reports, and to support our operations on the Southwest Border with a 24 hour-a-day intelligence center covering several regions and including several agencies. Results in these areas are indicated by the following facts:

DEA has taken the lead in developing a set of national narcotic indicators which can be used by DEA, NIDA [National Institute on Drug Abuse] and SAODAP [Special Action Office for Drug Abuse Prevention] to monitor drug abuse trends. These national narcotics indicators include data from STRIDE (System to Retrieve Information from Drug Evidence) on the price, availability and sources of heroin; data from DAWN (Drug Abuse Warning Network) on emergency room visits of drug users; and data on serum hepatitis throughout the United States. When these systems are forged together with the NIDA systems, and general surveys, they become a very powerful set of indicators on the drug abuse situation.

Regional intelligence units have been established in every DEA regional office. These units have responsibilities not only for collecting intelligence information, but also for producing tactical intelligence products to be used at the regional level. Personnel in these units are being trained in the collection and analysis of intelligence information by DEA's training program.

Through the first 6 months of fiscal year 1975, 160 analyses of drug networks, 1,877 profiles of specific traffickers and 9,386 enforcement targets have been produced. These analyses represent the foundation of the national narcotics intelligence system.

In the development of a National Narcotics Intelligence System it is mandatory on DEA that a high level of liaison with other enforcement agencies, Federal, State and local be maintained and interchange of information with these agencies be developed. In terms of this requirement I am particularly encouraged with the operation we call the Unified Intelligence Division of the New York Joint Task Force. This is a true interagency operation utilizing DEA agents, New York City and State Police and funded in part by an LEAA grant. The program succeeds in bringing combined drug information to bear on the traffickers in our most populous city and greatest area of drug abuse.325

XVIII. Treasury Department

The Treasury Department has long contained components with an intelligence potential. Treasury attaches serving with American embassies provide valuable foreign economic intelligence for departmental units within the jurisdiction of the Under Secretary for Monetary Policy as well as for other units, such as the State Department and other agencies represented on the United States Intelligence Board and the National Security Council. The Treasury Department is also developing and expanding its Federal Law Enforcement Training Center which will be utilized by a variety of agencies for training investigative personnel as well as State Department security agents, Internal Revenue Service intelligence special agents and internal security inspectors, Secret Service agents, and Alcohol, Tobacco, and Firearms Bureau special agents.326

Among the intelligence units within the Treasury Department, the Bureau of Alcohol, Tobacco, and Firearms has primary responsibilities for monitoring and pursuing illegal trafficking in and/or sale of distilled spirits, tobacco, and firearms (including explosives). The Bureau utilizes some 1,600 special agents, conducts electronic surveillance operations, and has both undercover personnel and paid informers in its service. In addition to maintaining intelligence activities in support of its regular duties, the Bureau undoubtedly has an intelli-

325 From the statement of DEA Administrator John R. Bartels, Jr., in Ibid., pp. 847-848.
gence capacity regarding political candidate and foreign dignitary protection obligations which must be met on occasion.327

The U.S. Secret Service engages in intelligence operations in support of its responsibilities for protecting the President, presidential candidates, and certain foreign dignitaries, pursuing counterfeiters, and, in cooperation with its police auxiliaries (Executive Protective Service, White House Police, and Treasury Security Force), the maintenance of security at certain Federal and diplomatic facilities. The Secret Service presently consists of slightly more than 1,200 special agents plus administrative personnel. During FY 1974 some segment of this workforce completed 15,403 protective intelligence cases and anticipated completing 16,000 such cases during the next fiscal year.328

The U.S. Customs Service, while largely a law enforcement agency, has an intelligence potential in such matters as narcotics and munitions control, prevention and detection of terrorism in international transportation facilities, and enforcement of Federal regulations affecting articles in international trade.329

The Internal Revenue Service, responsible for administering and enforcing the internal revenue laws other than those relating to alcohol, tobacco, firearms, explosives, and wagering, consists of a national office and a decentralized field staff organized into seven regions containing 58 districts. The Intelligence Division, staff with over 2,600 special agents, is the principal IRS intelligence component and is responsible for identifying willful noncompliance with the tax laws as well as devious and complex methods utilized to avoid tax obligations. In addition to the use of informants, undercover operatives, and electronic surveillance, the Intelligence Division, until recently, maintained an Intelligence Gathering and Retrieval System. Inaugurated in May, 1969, this computerized data bank of personal information was suspended in January, 1975, after criticism was made that the system contained information of non-germane interest to a tax-collection and enforcement agency and that holdings constituted an invasion of privacy.330 This matter, certain surveillance activities involving the IRS office in Miami (Operation Leprechaun), and related spying operations have recently brought the agency’s intelligence program under congressional scrutiny.331

Another controversial aspect of IRS intelligence operations involves the now defunct Special Service Staff established within the Compliance Division. Initially created in July, 1969, as the Activist Organizations Committee, the unit came into existence.

... apparently in response to pressures emanating from the White House and from Congress to insure that dissident groups were complying with the tax laws.

Several weeks before, at hearings before the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations on June 18, 1969, a former member of the Black Panthers had testified that it was his belief that the organization had never filed tax returns and had never been audited by IRS. Similarly, an IRS official had raised the question of whether certain politically-active groups, then tax-exempt, should continue to qualify for this status.\(^{322}\)

In the aftermath of these events, Dr. Arthur Burns, Counselor to the President, and Tom Charles Huston, a White House staffer concerned with security programs, began urging IRS to establish a special political intelligence component to deal with these tax matters.\(^{323}\)

The SSS was established in several organizational meetings held in the IRS during July, 1969. During this time, the initial SSS personnel were chosen and the functions of the SSS were set out. The SSS was to "coordinate activities in all Compliance Divisions involving ideological, militant, subversive, radical, and similar type organizations; to collect basic intelligence data; and to insure that the requirements of the Internal Revenue Code concerning such organizations have been complied with." Also, some people associated with the SSS indicated that they believed the SSS was to play a role in controlling "an insidious threat to the internal security of this country."

The people involved with the SSS had a difficult time determining precisely what organizations and individuals to focus on. It appears from the staff's examination that the day-to-day focus of the SSS was largely determined by information it received from other agencies, as the FBI and the Inter-Divisional Information Unit of the Justice Department.

The SSS generally operated by receiving information from other investigative agencies and congressional committees, establishing files on organizations and individuals of interest, checking IRS records on file subjects, and referring cases to the field for audit or collection action. Also the SSS provided information to the Exempt Organization Branch (Technical) with respect to organizations whose exempt status was in question. This method of operation was established by late 1969.\(^{324}\)

With a staff which apparently never exceeded eight individuals, the Special Service unit "began with the names of 77 organizations and by the time it was disbanded in 1973 there was a total of 11,458 SSS files on 8,585 individuals and 2,873 organizations... with

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\(^{324}\) Ibid., pp. 6-7.
widely varying points of view, from all parts of the country and from many vocational and economic groups. In addition to identifying subjects for IRS scrutiny, the SSS also functioned as a reference source for White House intelligence actors.

Assessing the experience of such special intelligence entities, one congressional scrutinizer of the Special Service Staff observed:

The Constitution guarantees every American the right to think and speak as he pleases without having to fear that the Government is listening. There can be little doubt that political surveillance and intelligence-gathering, aimed at the beliefs, views, opinions and political associations of Americans only inhibits the free expression which the First Amendment seeks to protect. Yet the formation of governmental surveillance units is not a new occurrence. Throughout our Nation's history such programs have been instituted to protect "national security" interests which were perceived to be threatened.

It is apparent, however, that the extraordinary political unrest of the late sixties had a powerful effect on those at the governmental helm. Using this as justification, they undertook to use the powers at their disposal to stifle and control the growing political dissidence and protest they were witnessing. The plain words of the Constitution were ignored.

There is no evidence to indicate that the creation of so many "secret" intelligence units as well as the expansion of existing units throughout the government at roughly the same time was the result of any conscious conspiracy. But the fact remains that the contemporaneous creation of these units permitted an incipient arrangement whereby the special talents of investigation, prosecution arrangement whereby the special talents of investigation, prosecution, and administrative penalties (tax actions)—most of the powers at the government's disposal—were levelled against those who chose to dissent, whether lawfully or otherwise. Although each agency may not have known specifically of another's intelligence program, the fruits of such units were freely exchanged so that each agency knew that another was also "doing something."

Ultimately, the Special Service Staff operation came under question at the highest level of the Internal Revenue Service.

In May 1973 (one day after he was sworn in), Commissioner Donald C. Alexander met with top IRS personnel with respect to the SSS and directed that the SSS actions were to relate only to tax resisters. This was reemphasized in a second meeting held at the end of June 1973. In early August 1973, the Commissioner learned of National Office responsibility for an IRS memorandum relating to the SSS published in Time magazine. The Commissioner felt that this memo-

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36 Ibid., p. 9.
random described activities that were "antithetical to the proper conduct of . . . tax administration" and he announced (on August 9, 1973) that the SSS would be disbanded.338

XIX. Overview

This is the organizational status of the Federal intelligence function on the eve of America's bi-centennial.339 Institutional permanence did not appear within this sphere of government operations until almost a decade and a half before the turn of the present century. For a variety of reasons—inexperience, scarce resources, lack of useful methodology, failure to apply available technology, and a leadership void—a functionally effective intelligence structure probably did not exist within the Federal government until the United States was plunged into World War II. And what observations might be offered regarding the current intelligence community organization?

An outstanding characteristic of the contemporary intelligence structure is its pervasiveness. There are a panoply of Federal agencies with clearly prescribed intelligence duties or a reasonable potential for such functioning. One authority recently estimated that ten major intelligence entities maintain a staff of 153,250 individuals on an annual budget of $6,228,000,000.340 Such statistics provide some indication of the size of the immediate intelligence community within the Federal government but, of course, ignores the commitment of re-

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338 U.S. Congress. Joint Committee on Internal Revenue Taxation, op cit., p. 7.
339 This study does not purport to present an exhaustive scenario of intelligence agencies but has sought to include the principal entities which have been or continue to be involved in intelligence operations. Agencies not discussed here but which do conceivably contribute information relevant to the intelligence matters include the United States Information Agency, which maintains numerous overseas offices, the Agency for International Development, with missions in Asia, Africa, the Middle East, and Latin America, and the Department of Agriculture, which has attache's in United States embassies.

For an overview of the chronological development of the principal Federal intelligence entities, see Appendix I.

340 The following estimate is taken from Marchetti and Marks, op. cit., p. 80: certain comparative data is supplied from Federal budget and U.S. Civil Service Commission sources. The statistics appear to be for FY 72 or FY 73.

### SIZE AND COST OF THE U.S. INTELLIGENCE COMMUNITY

<table>
<thead>
<tr>
<th>Organization</th>
<th>Personnel</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Intelligence Agency</td>
<td>16,500</td>
<td>$750,000,000</td>
</tr>
<tr>
<td>National Security Agency</td>
<td>24,000</td>
<td>1,200,000,000</td>
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<tr>
<td>Defense Intelligence Agency</td>
<td>5,000</td>
<td>200,000,000</td>
</tr>
<tr>
<td>Army Intelligence</td>
<td>35,000</td>
<td>700,000,000</td>
</tr>
<tr>
<td>Air Force Intelligence (including National Reconnaissance Office)</td>
<td>56,000</td>
<td>2,700,000,000</td>
</tr>
<tr>
<td>State Department (Bureau of Intelligence and Research)</td>
<td>330</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Federal Bureau of Investigation (Internal Security Division)</td>
<td>800</td>
<td>40,000,000</td>
</tr>
<tr>
<td>Atomic Energy Commission (Intelligence Division)</td>
<td>300</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Treasury Department</td>
<td>300</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>153,250</td>
<td>6,228,000,000</td>
</tr>
</tbody>
</table>

### COMPARISON

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal year 1972</th>
<th>Fiscal year 1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget outlay, actual (billions)</td>
<td>$231.9</td>
<td>$246.5</td>
</tr>
<tr>
<td>Federal employees (civilian)</td>
<td>2,811,779</td>
<td>2,824,242</td>
</tr>
</tbody>
</table>
sources to intelligence efforts, on one hand, by front groups, proprietary organizations, and informers, and, on the other hand, by sub-national government agencies, and other Federal entities (such as Department of Agriculture overseas attaches, National Aeronautics and Space Administration satellite launching systems, and the products of the National Weather Service). With these additional components identified, the pervasive nature of the intelligence organization begins to become more apparent.

It might also be argued that the intelligence community exhibits an organizational tendency toward clusters of centralized leadership. Overseas intelligence operations leadership has been concentrated in the Director of Central Intelligence; armed forces intelligence leadership has been concentrated in the chief of the Defense Intelligence Agency; armed forces cryptological leadership has been concentrated in the head of the National Security Agency/Central Security Service. A propensity for further unifying these leadership capacities may be seen in the example of Dr. Henry Kissinger (when serving as Assistant to the President for National Security Affairs/chief of staff, National Security Council) and, to some degree, in the case of the White House intelligence functionaries during the Nixon Administration. While the coordination of intelligence activities is a desirable goal in government efficiency, the centralization of intelligence leadership can pose threats to civil liberties.

Finally, as the Federal intelligence organization has grown, there appears to be a tendency toward the confusion of the purposes of intelligence operations. Many intelligence institutions, past and present, function(ed) without an explicit statutory mandate for their activities. More consideration might be given to the relationship between domestic intelligence and law enforcement responsibilities: intelligence units have been organized to spy on citizens (and sometimes harass them) seemingly without any regard as to whether or not illegal behavior might be detected. Also, entities established to enforce the laws domestically have become enamored on occasion with intelligence pursuits which bear little significance to their primary law enforcement duty.

The Constitution of the United States continues to guarantee “the right of the people to be secure in their persons, houses, papers and effects, against unreasonable searchers and seizures....” The Federal intelligence organization has the capacity to significantly enhance and support that right or to manifest itself as one of the cruelest detractors of that tenet of American government. Vigilance on the part of the citizenry as to encroachments upon its rights and liberties is an utmost necessity for the preservation of a meaningful democracy. Yet, public confidence in the state tolerates a condition of official secrecy with regard to almost every aspect of intelligence activity. Institutional reliance upon the fullest commitment of the intelligence community to the preservation and realization of the constitutionally guaranteed rights of the people is the necessary consequence. Endowed with its special privilege of operational secrecy, the Federal intelligence organization, in any violation of its pledge of service to the citizenry, can expect to elicit a prohibitive punishment from the polity, for it has, of course, a unique potential to execute the ultimate breach of trust, the demise of the demos itself.

*January 1, 1976.*

*Washington, D.C.*