Examining President Truman's role in the establishment of the Agency

TRUMAN ON CIA

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President Harry S. Truman had his own version of his role in the establishment of the Central Intelligence Agency. He once summed it up this way: "I got a couple of admirals together and they formed" the CIA. 1 Another time he was quoted as describing the CIA as "his invention." 2 Again, while still President, he told a CIA audience: "I . . . suggested [to Admiral William D. Leahy] that there should be a Central Intelligence Agency," and consequently "The Admiral and I proceeded to try to work out a program." 3

In Truman's most extended account, in his Memoirs, he related how he discovered the lack of coordinated intelligence in Washington, asked what was being done about it, solicited advice, issued what he referred to as an "Executive Order," and—presto—then began to receive a "daily digest" of information first from his Central Intelligence Group (CIG) and then, when CIG was "renamed" in the National Security Act of 1947, from his CIA. 4 That was his view of the event—"one of his proudest accomplishments," according to daughter Margaret. 5

Unfortunately, Truman's version is the only one left to the public by anyone involved in the event. Until recently, there was little scholarly interest in the subject, and in any case there was little unclassified primary source material on which scholars could work. They could only make passing remarks about Pearl Harbor, President Roosevelt, "Wild Bill" Donovan, and the Office of Strategic Services (OSS), sink their teeth into a few unexciting public documents such as the 1947 Act itself and then happily pick up Truman's first-hand account. Of late, moreover, scholars and writers alike have been so hard pressed to keep up with daily publicity about CIA's alleged deeds and misdeeds that again they can only fall back on Harry Truman for a few necessary introductory remarks about CIA's origins. His view, in short, has become gospel, and not surprisingly he himself is generally credited with providing "the real impetus" 6 to the creation of CIA.

Unfortunately again, Truman's version is not quite accurate or adequate. The result is that it does little justice to the decade of intelligence history that preceded

1 Merle Miller, Plain Speaking: An Oral Biography of Harry S. Truman, (Berkley, New York, 1973) p. 420. Presumably Truman was referring to Adm. William D. Leahy, then Chief of Staff to Truman in Truman's capacity as Commander-in-Chief of the Army and the Navy, and Adm. Sidney W. Souers, Deputy Director of Naval Intelligence and then the first Director of Central Intelligence.

2 Robert Alan Arthur, "The Wit and Sass of Harry S. Truman," Esquire, August 1971, p. 115. He is further quoted as "being sorry he'd started the whole thing."


Truman, to the creative genius of Donovan, and to the administrative trailblazing of Roosevelt. Also, Truman’s account—especially as related in a 1963 syndicated article to which we shall come later—has left an erroneous account of the original character and functions of the Agency.

Hence an examination of the records now available will not only set the record straight and do justice to Donovan and Roosevelt, but also provide helpful illumination on the origins of certain elements of the CIA character in which there is considerable current interest.

A "Calamitous" Prospect

Today the United States has an "intelligence community" of which the members are CIA, State, Defense, the FBI, Treasury, and the former Atomic Energy Commission, now the Energy Research and Development Administration. To this community, the Director of Central Intelligence is central. For the greater part of the nation’s history, however, there has been no community, no center, and not even the parts with which to make a community. For the first hundred years, organized intelligence, both overt and clandestine, was at best a tolerable wartime necessity, a peacetime "no-no," a thing without permanent status or organization in the American governmental system.

The situation changed significantly in the 1880s, a decade which coincidentally saw the birth of three men central to this story—Donovan, Roosevelt, and Truman. First the Navy and then the War Department, responding to technological and organizational changes, copied European nations by establishing on a regular, peacetime basis the country’s first naval and military intelligence services—the Office of Naval Intelligence (ONI) in 1882 and in 1885 the Military Intelligence Division (G-2), as they were known in the World War II period. Their work was essentially the overt collection of information on the armies and navies of the world and the discovery of enemy activity in the U.S. In wartime they carried on espionage and counterespionage.

These two departmental newcomers—small, underfinanced, and lightly regarded in the Navy and War departments—co-existed over the next half century with equally small and half-hearted foreign intelligence collection and production efforts in State and Treasury, and later in Commerce, Agriculture, Interior, and Justice (FBI). Their co-existence, however, was that of strangers on a highway. They pursued their respective departmental tasks in isolation and often in distrust of one another. What was needed, said an ex-naval attaché in 1929, was something he mistakenly thought the British already had, namely a "Wheel of Intelligence" with a "Central hub," which would coordinate all the intelligence received and funnel it to top policymakers. He thought they needed a coordinator.7

Ten years later Roosevelt, worried about German and Japanese spying in the United States, and unhappy with his investigative services, ordered the FBI, G-2, and ONI to coordinate themselves. He directed them in 1939 "to function as a committee to coordinate" the investigation of all espionage, counterespionage, and sabotage matters affecting the country.8 From this directive came the Interdepartmental


Intelligence Conference (IIC) where the heads of those agencies met weekly to share what bits of information each cared to divulge.

Connected with this development were two early American ventures in 1940 into the foreign clandestine intelligence field. One was the Navy's "Special Intelligence Section" (SIS) whose founder, ONI chief Admiral Walter S. Anderson, today recalls that "it never got off the ground, because it was taken over by Bill Donovan." The second was another SIS, the "Special Intelligence Service" which was run by the FBI in Latin America; J. Edgar Hoover had to give it up six years later when Truman established the CIG.

These three organizations—the IIC and the SIS pair—were primarily concerned with counterintelligence, and they were operated on a mixed basis of independence and self-coordination. None of the parent organizations was prepared to accept an outside coordinator.

Hence ONI and G-2 were shaken up in March, 1941, by a story circulating about the then Colonel Donovan. "In great confidence" ONI reported to G-2 that Donovan was fostering "a movement... to establish a super agency controlling all intelligence." The G-2 chief, Brig. Gen. Sherman Miles, relaying the news upward to Gen. George C. Marshall, Army Chief of Staff, described such a development as "very disadvantageous, if not calamitous." There was enough truth in the story to justify their alarm.

A Beginning

First, William J. Donovan had been for years a public figure of great standing: the almost legendary "Wild Bill" of World War I fame, a Congressional Medal of Honor winner, founder of a large, prestigious Wall Street law firm, and an articulate stalwart of the Republican Party. More to the point, as a private citizen he had from 1935 to 1939 seen more of foreign chancelleries, battlefields, and military installations than many whose business such things were. Furthermore, he had taken two unprecedented trips as FDR's emissary—first to London in the grim days of mid-1940, and then later in the year for three months to Europe, the Mediterranean, and the Middle East—and had emerged in the press not only as a seasoned observer of the international scene but also as Roosevelt's "mystery man" in foreign affairs.

Secondly, this influential "mystery man" had developed a special interest in strategic intelligence and special operations. He had studied not only Nazi military strategy and tactics but also Nazi radio propaganda, economic warfare, political subversion, and psychological warfare. Likewise, he had been thoroughly briefed on British experience in intelligence, propaganda, subversion, and commando operations—thanks largely to the efforts of Britain's wartime intelligence chief in the U.S., now Sir William S. Stephenson, lately celebrated in A Man Called Intrepid. By early 1941 Donovan was convinced by the course of the war that the U.S. had to get into all those fields; and he, collaborating with Stephenson, had indeed developed a plan for a new agency to do just that.

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9 Interview with the author, Feb. 12, 1968.
10 Memo, Miles to Marshall, "Coordinator for the three Intelligence Agencies of the Government," April 8, 1941, Records of the Army Staff, Record Group 319 (Washington National Records Center, Suitland, Md.), file 310.11
To the dismay of G-2, ONI, and the FBI, who were not even consulted by Roosevelt, Donovan's plan was implemented on July 11, 1941, when FDR named Donovan "Coordinator of Information" (COI). As such he was the nation's first chief of foreign intelligence and special operations. COI is little known today, because it was transformed a year later into the Office of Strategic Services (OSS), which subsequently garnered all the publicity. Even so, it deserves close attention, because it embodied fundamental principles of theory and organization which are basic to the CIA as it was set up by Congress in 1947.

One, Donovan, breaking with the traditional narrow conception of intelligence as "military" or "naval," broadened it to include the political, economic, social, scientific, topographical, and biographical—anything that constituted a nation's strength or weakness in international affairs. Two, Donovan conceived such intelligence as serving primarily the President as foreign policy chief and Commander-in-Chief. Three, this orientation to the President produced the distinction between strategic or national intelligence—what the President needed—and "departmental" intelligence—what the various departments, such as Army and Navy, needed—to accomplish their particular missions. Four, this last distinction required the establishment of an independent agency alongside of and yet central to the other intelligence services. Five, in Donovan's concept the new agency had a variety of tasks, including such diverse enterprises as espionage, research and analysis, subversive operations, and commando operations. Finally, the new agency encompassed both overt and covert activities. For intelligence, in sum, Donovan in 1941 sought high status, independence, centrality, and diversity of functions.

Donovan also laid down some restrictions, which are especially relevant to current interest in CIA's charter. In the first paper he ever wrote on intelligence, before he became COI, he stated that an intelligence agency must not be controlled by "party exigencies," inasmuch as its only raison d'être was national defense. Also, he emphasized that the agency had nothing to do with domestic affairs, that its work was "foreign investigation[s]" and "intelligence work abroad." Finally, with due regard for the right of other agencies to do their jobs, he declared that a foreign intelligence agency should not take over "the home duties" of the FBI or the work abroad of G-2 and ONI.12

To Donovan, then, who needed no schooling in American political theory, constitutional law, and sound democratic procedures, it was axiomatic that a foreign intelligence agency, such as he conceived it, had no monopoly on intelligence, no domestic political role, and no domestic police or law-enforcement function. Furthermore, he held to those positions in all the planning and debating that led to the National Security Act. Indeed he, and no one else, was the first to make those points clear.

No sooner had the news of Donovan's imminent appointment been bruited about than all the regular departments got "their hackles up over the danger that somebody is going to take something away from them."13 Their opposition turned out to be as steady as had been anticipated. They feared empire-building by Donovan—"a physical activator," according to FDR's advisor Judge Sam Rosenman, and "a real buccaneer" in the eyes of Amb. David K. Bruce, who served in OSS.14

12 Letter, Donovan to Frank Knox, April 26, 1941, Donovan Papers, (CIA Historical Intelligence Collection), job 66-595, folder 22.
14 Author's interviews with Rosenman, Nov. 11, 1971, and with Bruce, Dec. 11, 1969.
Donovan never did really become "Coordinator of Information," simply because the military services never gave him the information to coordinate. In the early days he had to rely for information and other assistance on Stephenson and British intelligence. Indeed, in the internecine warfare that engulfed Washington, COI was almost destroyed twice. Though shorn of its foreign propaganda function, COI was saved by Roosevelt in 1942 when it was reorganized as OSS—when Donovan, still reporting directly to the President, was subordinated to the Joint Chiefs of Staff (JCS). It was saved again in February, 1943, by JCS intervention at the White House. Indeed it was not until late 1943 that OSS was assured continued wartime existence.

Skullduggery and Death

By then intelligence had become an "in" thing. There were more than forty agencies collecting, producing, or disseminating intelligence; personnel rosters, budgets, and activities had skyrocketed. Despite serious problems and conflicts, people—scholars and spies alike—liked the variegated business. They all agreed the prewar intelligence setup was faulty, the wartime situation was chaotic, and the postwar situation had to be better than either. With ultimate victory assured by 1943-1944, intelligence practitioners turned their thoughts to the postwar organization of intelligence.

It was a case of the world against OSS, of the oldline agencies against a pretentious Johnny-come-lately. G-2 and ONI were resolved that OSS, a warborn agency, would die with the end of the war, and that they would grow in strength and prestige as they had not been able to do after World War I. The FBI, having tasted foreign operations in South America, and having established a few non-American posts, looked forward to displacing OSS and expanding its SIS on a world-wide basis in collaboration with traditional colleagues—G-2, ONI, and State. In State some forward-looking elements, more interested in research than espionage, tried to persuade their upper echelons to organize a State Department intelligence unit so that State could not only do its own job but also take the lead—befitting its foreign affairs primacy—in organizing the intelligence activities of the remainder of the government.

Except for OSS, no intelligence service and no department really had a viable idea of what the postwar intelligence setup ought to be. None had progressed beyond the idea of the IIC and the various joint intelligence agencies and activities that had grown up like Topsy within the military services. None certainly had any wish to be made a spoke in any "Wheel of Intelligence," and none desired any wheel made by any outsider, least of all by Bill Donovan.

OSS, for its part, though fully conscious of its tenuous hold on life, was nonetheless convinced it held within itself the only adequate idea for a permanent system. Donovan's original COI proposal was geared to permanency as well as to war. In 1943 Donovan told a military audience he hoped the country would have sense enough to continue something like OSS into peacetime. Later that year he gave the JCS his outline for permanent establishment of OSS as "a fourth arm" of the military services. In 1944 OSS, as a going concern—with a leader, personnel, programs, facilities, experiences, energy, and ambition—felt it was a natural nucleus for a permanent agency.

Seizing an opening provided by Roosevelt, Donovan brought the matter to a head on November 18, 1944, by submitting a formal proposal for the establishment of a postwar central intelligence service. Its essential features were: an independent agency responsible to the President and advised by the Secretaries of State, War, and Navy;
several functions, including the coordination and production of intelligence, the conduct of espionage and counterespionage, "subversive operations abroad," and "such other functions and duties relating to intelligence" as the President might assign it; and certain restrictions, including the denial of any "police or law-enforcement functions, either at home or abroad." The plan, with Donovan's energy and influence behind it, was a major challenge to the other intelligence services.

They had their first opportunity to attack it when Roosevelt asked for the comments of the Joint Chiefs of Staff—Donovan's bosses—who sent the paper down the JCS ladder to the Joint Intelligence Staff (JIS) for the initial preparation of a reply to the President. Calling the plan "unsound and dangerous," the military members of the JIS (Army, Navy, and Air Forces) said it interfered with the chain of command, deprived commanders of control of their intelligence, and—by vesting operating functions in a coordinating agency—threatened the existence of all other intelligence services. They feared Donovan aimed to take over G-2 and ONI. As their recommendations, they vested responsibility for coordinating all federal foreign intelligence activities in the Secretaries of State, War, and the Navy, and left it to them or the JCS to establish or run three separate, interdepartmental services for coordination, production, and operations. In other words, they did not stray far from the traditional approach of self-coordination.

The JIS civilian members—State, OSS, and the Foreign Economic Administration (FEA)—agreed with their colleagues in subordinating intelligence not to the President but to the three secretaries plus a JCS representative in time of war. The civilians additionally considered "subversive operations" not the "appropriate function" of an intelligence agency. (They failed to say to whom it was proper.) Otherwise the civilians, whose FEA member Max Ways had already done much work on the subject, were very sympathetic to the Donovan plan. They wanted a central agency, an independent budget, the functions—including espionage—the powers, and restrictions much as laid out by Donovan. Hence they took over the form, the substance, and very much of the language of the Donovan plan, made their modifications, and submitted that as their response, but the military considered it almost as bad as Donovan's plan. That made three plans under consideration. The JIS, united only in opposing the Donovan plan, could not resolve their own differences and sent the disagreement up the ladder to their parent body, the Joint Intelligence Committee (JIC).

The JIC, consisting of the heads of the intelligence services and top representatives of State and FEA, one December day vigorously debated the issue for three hours. The major issue was control. The military members thought the plans of both Donovan and the civilians established an intelligence dictator; the civilians argued that their plan gave the CIA only enough stature and power to enable it to survive likely opposition from powerful departments. The military thought the civilians' plan, like Donovan's unsound and dangerous; the civilians claimed the military plan put something into effect but nothing happened. Unable to reach agreement, the JIC returned the problem to JIS and told them to try again.

While compromise seemed impossible, both the JIS and the JIC knew they had to produce a decent reply for the JCS to send to the President. That reply, they knew, had

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16 JIS Serial 96, "Proposed Establishment of a Central Intelligence Service," Dec. 9, 1944 (SECRET) OSS Records, (CIA, Wash., D.C.), Wash-Dir Ad 67 (JIS Series 96.)

17 JIS 96/1, ibid.
either to accept the Donovan plan or offer an acceptable alternative. The civilians had offered one; but since the military had not done so, it was they who felt the pressure to yield. Exacting their price, they finally, on January 1, 1945, accepted the hitherto heretical idea of a new agency, with an independent budget, and with a concentration of functions. These last included the coordination and production of intelligence, the performance of “services of common concern”—which everyone knew included foreign espionage—and the performance of “such other functions and duties related to intelligence” as might be authorized. They accepted all this only because they insisted on subjecting the agency to the rigid control of a “National Intelligence Authority” (NIA) whose membership—the Secretaries of State, War, and Navy, and a representative of the JCS—guaranteed the military considerable influence, to say the least.

The proposed agency—largely Donovan’s agency but under military control—was not Donovan’s idea of an independent agency serving the President and advised by the various secretaries, but it was considerably more than the military services had ever previously contemplated. In fact, thanks to unrelenting pressure from Donovan and probably to the surprise of the military themselves, the latter actually now had in this JIC compromise their own plan for a postwar, multi-purpose intelligence agency. Even so, it was by no means out of the woods.

This JIC plan and the original Donovan plan next climbed to a third rung of the JCS ladder—that of the Joint Strategic Survey Committee (JSSC), a body of senior advisors. They also condemned the Donovan plan. Endorsing the JIC compromise but reflecting continuing deep opposition within the military, the JSSC considerably slowed down the process of implementation. They recommended immediate establishment of the NIA, a Director of Central Intelligence, and an intelligence advisory board and left to all of them the task of drawing up the plans for the agency itself. They also recommended, in response to Navy pressure—and with no opposition from anyone—that the new agency be obligated to protect “intelligence sources and methods.”

Meanwhile, skulduggery of the first order was in the works. Before the matter could be taken up by the Joint Chiefs themselves, and while Donovan was preparing to carry the fight for his own plan to the JCS and, if necessary, to the President, someone—Donovan immediately suspected J. Edgar Hoover—leaked both his and the JIC plans to reporter Walter P. Trohan of the anti-Roosevelt McCormick-Patterson press, which then published them word for word. Trohan, now living in retirement in Ireland, described Donovan’s plan as a New Deal “super spy system” which would take over all American intelligence services, including the FBI, the Secret Service, ONI, and G-2; moreover, wrote Trohan, it would, “spy on the postwar world” and “pry into the lives of citizens at home.” He called it a “super Gestapo agency.” He said the Army and Navy agreed with Donovan’s objective, but wanting the setup for themselves they had “declare[d] war on OSS.” Donovan cried “foul” and called in vain for an investigative body with subpoena powers; the culprit never was identified. His work was well done, however, for the JCS, taking shelter from congressional alarm at the prospect of an American “Gestapo,” advised Roosevelt to drop the matter for the time being.

Within two months, however, Roosevelt, at the urging of economist Dr. Isadore Lubin, now with the Twentieth Century Fund, directed Donovan to resubmit his

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proposal, this time to the Cabinet members. A week later, April 12, 1945, Roosevelt died, and Donovan lost a patron.

Contrary to a common misconception, Roosevelt and Donovan were never personally close, but the President liked "secret" intelligence, and he was quite happy to have the oldline bureaucracy stirred up by an intelligence chief of Donovan's "unlimited imagination and gall." Roosevelt had created Donovan's post, sustained Donovan in office, and encouraged his postwar planning. Donovan had a fighting chance of winning FDR's support for his plan despite the departmental lineup against him. Columnist Drew Pearson was correct when two weeks after FDR's death he listed Donovan as one of those who would "miss Franklin Roosevelt most." In truth Donovan and OSS were done for, but Donovan's plan would, as we shall see, rise Phoenix-like.

Clearing the Deck

Pearson also noted that while Roosevelt had given Donovan "free rein, including grandiose plans for a postwar espionage service," the new President, Harry Truman, did not like "peacetime espionage" and would not be "so lenient." What role that attitude played in Truman's relationship with Donovan is not clear, but it is clear that there was no rapport between the two. Truman left an unmistakable indication of his disdain for Donovan when he summed up their first official meeting on May 14, 1945, with the comment that Donovan had come in "to tell how important the Secret Service [sic] is and how much he could do to run the government on an even basis." In the succeeding weeks, Truman rebuffed every attempt by Donovan to discuss the future of OSS and the organization of a postwar central intelligence organization. Truman showed no interest in FDR's directed reconsideration of the Donovan plan, which State, War, Navy, and Justice agreed to shelve for the duration of the war. At war's end, when Truman and the Budget Bureau director, Harold D. Smith, were hurrying to dismantle the war machinery, Smith reported that Donovan was "storming" about the Bureau's proposed order abolishing OSS. "Forget it" was the gist of the reply of the President, who observed that Donovan had been in that morning—to have an OSS hero meet the President—but they had not discussed the subject of abolition! Months later, Truman smilingly pinned a medal on Donovan, but then eleven days later, January 22, 1946, established, without soliciting Donovan's advice, a new national intelligence system—the National Intelligence Authority and the Central Intelligence Group. But that has taken us ahead of our story.

When Truman was catapulted into the presidency, he had had neither the need nor the occasion—nor the opportunity—under Roosevelt to become familiar with the intelligence situation. He had had nothing to do with the coordination of intelligence activities, with the collection, evaluation, and production of intelligence, with the conduct of espionage, counterespionage, or with clandestine military, political, and psychological warfare. He could have known little about the battle going on among the intelligence services.

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21 Ibid.

22 Margaret Truman, op. cit., p. 250.

23 Diary entry, Sept. 13, 1945, Smith papers (Roosevelt Library) "Conferences with President Truman, 1945."
To compound this shortcoming, the President, having rejected Donovan as a guide to this new field, relied instead upon a very fine public servant but an equally poor intelligence counselor, Budget Director Smith. Smith had once been described by former Vice President Henry A. Wallace as "the most important man" in the Roosevelt administration. That high regard was shared by Truman, who acknowledged Smith's expertise in handling government problems the day he asked Smith to stay in his job. One of the problems in which Smith thought himself and his staff particularly competent was intelligence.

Certainly they had had considerable experience with the administrative problems and the jurisdictional conflicts of the various intelligence services. The Bureau had been deeply involved in the problems of COI and OSS, had worked on the organizational problems of G-2 and ONI, and had kept close watch on the FBI's budget and plans for the future of the SIS. Finally, Bureau staff, believing State was the intelligence wave of the future, were happy to work on the department's internal problem. All this experience convinced the Bureau of its ability to advise the President on meeting the intelligence needs of the country in both peace and war.

Smith had already warned Roosevelt, after his return from Yalta, about the "Gestapo" charge; and, noting the "tug-of-war" among the intelligence agencies, asked the President to help him "hold the fort" against anyone—obviously Donovan and the military—who would try to take his time "prematurely" in the matter. No sooner was Roosevelt dead—a week later in fact—than Smith made the same pitch to Truman and asked him to do nothing until the Bureau had its recommendations ready for him. For his part Truman opposed establishing a "Gestapo"—which made it unanimous—and vaguely referred throughout the summer to having something new "in mind," to an information rather than an investigative service, to "a broad intelligence service attached to the President's office," but he never did spell it out. His invitation to Smith to do some thinking about it fitted in nicely with Bureau activity.

Nothing happened, however, until the war suddenly ended on August 15, and then actions—by Donovan, Truman, and the JCS—tumbled rapidly after one another until they reached a climax on September 20. First Donovan, responding to an inquiry from Harold Smith, suggested liquidation of OSS could be completed early in 1946, and to facilitate establishment of a new centralized system of intelligence, he submitted a new statement of principles as a point of departure. He circulated copies to the President, the JCS, and Secretary of State James F. Byrnes. Moreover Donovan, stung by a spate of anti-OSS material once again fed to the McCormick-Patterson press, countered with his own barrage—the first in OSS history—of pro-OSS publicity and thereby brought the future of OSS into the open.

Meanwhile, Truman had initiated the abolition of such agencies as OSS. Smith's staff had drafted an executive order abolishing OSS and distributing its parts to the War and State departments. To the former they proposed sending the clandestine units and to the latter they would send the research and analysis and presentation units. The proposals were cleared with both departments before they were brought, rather belatedly, to the attention of either Donovan or the JCS. Getting the news about a

24 Quoted in Current Biography 1943, p. 710.
week before the scheduled abolition, Donovan quickly sought the assistance of the JCS, who in turn moved to get a stay of execution—of their agency!—until they could study the matter and make their own recommendations.

Meanwhile also, the JCS had finally become seized of the problem of postwar intelligence. On the recommendation of the Army, worried about the atomic bomb and intelligence, the JCS had ordered the Joint Strategic Survey Committee—their advisory group—to review that JIC plan which had been shelved after the disastrous Trojan revelations in February. Now eager for action but fearing another "Gestapo" charge, the JSSC proposed, as their only change, specifically denying the proposed CIA any espionage function in the U.S. and any police powers anywhere in the world; but others, worrying that such denial implicitly constituted admission of foreign espionage, scratched the revision and returned to the very wording that had not been able to forestall the original charge! Then top Army planners, with the concurrence of the JSSC, yielded to C-2 pressure and—striking out an independent budget—made the CIA dependent on financial contributions from State, War, and Navy. The new agency, with its several functions and restrictions, was more dependent than ever on the three departments. Thus diluted, the plan was officially approved by the Joint Chiefs on September 18, 1945. They then rushed to send the plan to the secretaries of War and Navy for transmittal to the President and to hold up action on the abolition of OSS.

They were upstaged, however, by the President and Harold Smith who, unbeknownst to them, met in the President's office at 3:00 P.M. on September 20 and effectively nullified—at least for the nonce—all the OSS and JCS hustling about. First, the President signed the order which abolished OSS on October 1, distributed its salvageable parts to the War and State departments, and dismissed Donovan, with nary a nod to his new statement of principles. That was Truman's first step in reorganizing the country's intelligence setup. The JCS learned the next day that it had been taken just two hours before their requested stay of execution had been received in the Budget Bureau!

When Truman signed the order, he remarked that he had "in mind a different kind of intelligence service from what this country has had in the past." 27 Again he seems not to have spelled it out, but there was no need to do so. Smith, having briefed him on the completion of the long-awaited Budget Bureau study of intelligence, had another directive for him to sign. It was a letter instructing Secretary Byrnes to "take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity." 28 The Bureau also had a plan. Opposed to the military and interested in the coordination problem, the Bureau proposed the establishment of an interdepartmental coordinating mechanism dominated by State, and left other problems much to the future.

The situation was ridiculous. For more than a year and a half the State Department had not been able to establish its own new, unified intelligence office. Secondly, never had the Department evidenced any serious interest in "taking the lead" in developing any government-wide coordination of foreign intelligence activity. Finally, all it did have for such coordination were the recommendations of administrative and management specialists in the Bureau of the Budget. Nevertheless, State was in charge. Truman, having dismissed Donovan and apparently unaware of

27 Ibid., Sept. 13, 1945.
the JCS plan, had draped the mantle of intelligence leadership on the one agency least able to do anything about it. It was his second step in the intelligence field, and both steps now led to much wandering in the wilderness.

Second Beginning

Initially, however, there was considerable enthusiasm in part of State. Undersecretary Dean Acheson, with Byrnes's approval, snapped up Smith's offer of the OSS research and analysis and presentation units and almost as quickly had a man—a peacetime lawyer from G-2, Col. Alfred McCormack—on the job the day OSS was abolished. Within two months, however, McCormack, an abrasive person, had encountered the stiff opposition of the potent political desk officers who wanted no intelligence office inserted in State between themselves and both the Secretary and the President. Initial enthusiasm was gone by Christmas, and by April 1946, so were McCormack and his new office.

Meanwhile, McCormack had had to put the larger problem of organizing a government-wide system on a back burner, but the Army and Navy, rejoicing in the possession of their own plan and worrying about foreign tensions, would suffer no delay. First, the JCS plan had been incorporated in the Navy's so-called Eberstadt report, which envisioned a broad reorganization of the military-political structure for national security, and then personally and departmentally endorsed by Navy Secretary James F. Forrestal. Then, in the War Department, the plan was not only endorsed by Secretary Robert P. Patterson, but his Lovett Board also recommended a return to the idea of an independent budget for CIA. The Army preferred that, but the Navy was cool to the idea. Nevertheless, the military stood together. Eager for action, they disliked State's temporizing; they also wanted their plan implemented so the new agency could take over the R & A unit, which they disliked leaving in State. Hence, late in 1945, Forrestal and Patterson vigorously pushed the JCS plan at the White House, and McCormack felt the pressure. Embattled with his colleagues, he nevertheless had to take time to draft a plan with which to counter the military.

All McCormack had to go on was that Budget report, the assistance of Budget staff, and some charts and supporting papers they had prepared. That report did have some excellent observations on the nature and diversity of intelligence, the importance and validity of intelligence as a function of government, and the great need for better coordination among its collectors and producers. Getting to practical matters, the report primarily stressed the need to develop strong departmental intelligence services and therefore recognized only a small residual need for a central research staff for the President and for such centralized operations as espionage. Hence the report recommended the establishment of two high-level committees of assistant secretaries, a joint secretariat, and a host of subcommittees. It was a complicated, interdepartmental system. While essentially self-coordination almost at its theoretical best, it was meant to be dominated by State, and not surprisingly it was adopted by McCormack as the heart of State's plan.

It was strongly opposed, however, by Secretaries Forrestal and Patterson when they met with Byrnes in November, and it was also disliked by Byrnes himself. The military, who had found the Donovan plan too strong, found State's plan too weak. Its coordinating mechanism they considered unworkable; they objected to vesting State with the preparation of strategic estimates and to leaving centralized operations—espionage, biographical records, topographical studies, etc.—to future assignment to ad hoc organizations. In the background of military opposition was
basic distrust of State itself; generals and admirals remembered the loose security practices of Secretary of State William Jennings Byran and the closing of the "Black Chamber" by Secretary Stimson; and they were currently witnesses to McCormack's embarrassing inability to organize a viable State intelligence unit. For his part, Byrnes found that McCormack's structure too elaborate and too big.

Revision did not help. The plan still reflected State's own distrust of military domination of intelligence; it remained a State-run mechanism. The military stood fast for an agency responsible to the three cabinet secretaries and charged with the three functions of coordination, production, and operations. There were numerous major and minor issues on which both sides spent much time, defining, revising, and arguing. A meeting was even scheduled with the President but had to be postponed, because Byrnes could not resolve differences of opinion within the State Department. Harold Smith, frustrated with the failure of others to follow the Bureau's lead, complained to Truman on November 28, 1945, that the situation was "getting royally bitched up." 29

Even so it was a month before Truman himself could take a look at both plans. "My inclination," he later wrote, "was to favor" the JCS plan. 30 That was not a difficult choice. There was a simplicity and coherence about the plan—an authority (NIA), a central agency (CIA), and an Intelligence Advisory Board (IAB)—which contrasted favorably with the complexity of State's revised offering—an NIA, an executive secretary, two advisory groups, nineteen committees, and indeterminate "centralized activities" to be activated in the indeterminate future. Truman's choice had a touch of irony. He had commissioned State to "take the lead," but after four months of his and State's wandering in the wilderness he had ended up endorsing the very plan—minimally modified—which the JCS had tried to get to him in September.

Truman apparently communicated his preference to Byrnes, who probably needed little nudging. In any case, Byrnes, meeting with Forrestal and Army Undersecretary Kenneth C. Royall, surrendered almost unconditionally; so the three secretaries on January 6, 1946, formally recommended adoption of the JCS plan. Truman was "ready to put it into effect," he wrote, but he held off, because Harold Smith wanted his people to make "a thorough analysis" of it. 31

Smith's people, though forced to swallow the JCS plan, managed to change the nature of the proposed central agency. They made it so dependent on the three departments for funds, personnel, and facilities that it no longer qualified as an "agency." Instead it became "a cooperative interdepartmental activity," 32 or "a group." Hence the projected CIA became instead the CIG. The military, prepared to accept anything as a beginning, agreed.

On January 22, 1946, 33 Truman, taking his third major step in intelligence, constituted the three cabinet secretaries and his (not a JCS) representative as the NIA and established the CIG to assist them. Their mission was the planning, development, and coordination of all federal foreign intelligence activities. The idea was approved by the press and public, which deemed the best intelligence possible a necessity for

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29 Diary entry, Nov. 28, 1945, Smith Papers, loc. cit.
30 Harry S. Truman, op. cit., p. 57.
31 Ibid.
33 The document signed on this date was the letter Truman subsequently referred to as his "Executive Order." It can be found in Truman's Public Papers, 1946, pp. 88-89.

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national survival. That included espionage; *Time* approvingly observed that the President "had put the U.S. in the business of international espionage." 34 Almost alone as a dissenter was Henry Wallace, who thought spying "Hellish." 35 Truman was pleased with what he had accomplished. He also thought the problem of intelligence was solved. He sat back to receive his "daily digest." 36

**Permanency**

On the surface, NIA and CIG were impressive. The very names—National Intelligence Authority and Central Intelligence Group—gave to intelligence an ostensible stature that not even Donovan could have found wanting. Actually they were more appearance than substance.

First, CIG was literally nothing more than an interdepartmental committee subsisting on handouts of money, people, and facilities from three departments which—capriciously or otherwise—could withdraw their sustaining support at any moment. Also, while CIG could enumerate the many functions assigned to it, the embarrassing truth was that it lacked the power to carry them out. CIG could not hire people (or fire them), certify payrolls, authorize travel, procure supplies, or negotiate contracts. It could not do any business except through the medium of one of the departments. In short, it was fundamentally hobbled by substantive and administrative deficiencies which left both it and the NIA unequal to organizing all Federal foreign intelligence activities and operating the centralized services increasingly assigned it by the various departments.

Second, the NIA included the three cabinet secretaries, who had so many other pressing responsibilities that intelligence was bound to become, as Donovan argued it always had been, "the Orphan Annie" 37 of the services. Donovan described the NIA as "a good debating society but a poor administering instrument." 38

There was an obvious solution—a grant of legal and financial independence. That of course required legislative action by Congress, and that was recommended by CIG's first director, Admiral Sidney W. Souers—and then vigorously pushed by its second chief, Lt. Gen. Hoyt S. Vandenberg. CIG sent drafts of enabling legislation to the White House, but they had a cool reception. Meanwhile there opened up an alternative legislative route, the merger or unification bill which eventually became the National Security Act of 1947.

The military had come to recognize that modern intelligence has a non-military as well as a military character, but they still thought of it as peculiarly their own field, in which they had the history and for which they had the qualifications. They had a big stake in the new CIG, and they certainly assumed that it would be headed alternately by an admiral and a general, and so it was—two admirals and a general in only a year and a half of existence. Fully aware of CIG's weaknesses, and appreciating the need for legislation, they had always found a place for it in their proposals.

Not until January 1947, however, had the military, who had many profound and bitter interservice arguments over the merger issue, been able to agree among themselves and with the White House on the grand design of the legislation to be

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34 *Time*, Feb. 4, 1946.
36 Harry S. Truman, op. cit., p. 58.
37 Letter, Donovan to Gurney, May 7, 1974, Donovan Papers, "Central Intelligence, 1941-1950, Vol. 1."
submitted to Congress. To some extent they and the White House reached agreement by leaving many thorny issues for later decision. They wanted no more controversies than necessary. In that context they and the White House—the latter now resigned to CIG legislation—made brief provision for CIA in the unification bill Truman sent to Congress on February 26, 1947.

The bill’s drafters had found the proposed CIG legislation too long and possibly troublesome, and therefore reduced it drastically. They briefly provided for a new agency—a big step forward—and subordinated it to another new organization, the National Security Council (NSC) which the Eberstadt report had put forth as the top policy-making body for national security. Second, they protected the military status, pay, and benefits of any military officer who might—as they expected—serve as Director of Central Intelligence. Finally, in a tactic that eventually boomeranged, they eliminated all reference to the functions, powers, relationships, and restrictions on the new agency; this they did by the expedient of a brief provision intended to give legislative effect to the President’s directive of January 22, 1946. The eliminated portions, it was decided, could be better handled in separate CIA legislation.

Congress, when it took up the bill, was clearly ready for intelligence. No one accorded strategic intelligence anything less than the high status for which Donovan was the first to fight. No one did other than demonstrate he had learned a lesson taught by ten years of tension and war. Rep. Ralph E. Church (R., Ill.) spoke for all when he described intelligence as both “necessary for the proper functioning of our military machinery” and “of primary importance for the proper conduct of our foreign relations.”

With the possible exception of one die-hard opponent of the entire bill, Sen. Edward V. Robertson (R., Wyo.), all favored establishing an independent agency. Even Robertson apparently only opposed what he saw as military control of the agency, not the agency itself, much less intelligence. Indeed, no one raised any question about the need for such an agency or wondered whether the job might not be better done by an interdepartmental committee or some other device. A common view was that of Rep. W. J. Bryan Dorn (D., S. Car.) who, recalling people who thought that Hitler was “a comic character” and that Mussolini was “bluffing,” declared “your Central Intelligence Agency is a very important part of this bill.”

Likewise, everyone accepted the bill’s implicit inclusion of espionage. The fact was plainly stated by Rep. Chet Holifield (D., Cal.) who reassured the House that CIA’s work was “strictly in the field of secret foreign intelligence—what is known as clandestine intelligence.” " Accepting the fact, however, was not easy; Rep. Forest A. Harness (R., Ind.) had had "some fear and doubt about it" when he first considered the matter. The country, he explained, had "never before officially resorted to the collection of secret and strategic information in time of peace as an announced and fixed policy." However, he now was "convinced" that CIA was "essential to our national security." Essential though it might be, Rep. Walter G. Andrews (R., N.Y.) wanted the thing done right because, as he said, "it is a great and dangerous departure for the American people to establish by law a 'spy agency,' which is what this agency will actually be.""

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40 Ibid., p. 9419.  
41 Ibid., p. 9430.  
42 Ibid., p. 9412.  
Congress did have two problems, however: One, there was very strong opposition to the idea of a military man heading CIA. Many, thinking the military had become too prominent, feared the growth of militarism. Others, visualizing some militaristic officer heading a national intelligence agency, feared the rise of a military "Gestapo." Still others, thinking the post of Director of Central Intelligence very important, did not like entrusting it to admirals and generals for short tours of duty between other assignments. And still others, viewing the job more in line with Donovan's concept, saw it as an essentially civilian post. In short, Congress passionately wanted a civilian DCI, but the very fact that an admiral—Roscoe H. Hillenkoetter—now was the third DCI and was expected to continue in the post, and the real possibility that the best man for the job might actually be a military man made it necessary to make provision for either a military or civilian occupant of the post. Though unhappy with the necessity, Congress won in the long run, because its attitude established the essentially civilian character of the DCI. Actually this accomplishment was the only new contribution Congress made to the theory and structure of CIA. The rest was copywork.

The other problem was provoked by the shortcutting tactic of the bill's drafters. Blurted out Maryland's Democratic Sen. Millard Tydings: "that is an awfully short bit of explanation, under the caption 'Central Intelligence Agency.'" He thought there was a "void" in the bill. Of course there was, and a number of administration spokesmen hurried before committees of both Houses to explain that they had not wanted to overload the bill, that separate legislation was coming along, that the President's directive was carried over into the law, and that if that were not clear, then as one spokesman put it to a House committee, "eight or ten words" would do the job. But neither Tydings nor numerous other objectors were mollified. House members were particularly vocal in insisting on having the functions and restrictions spelled out and not left to a parenthetical reference to an obscure presidential directive.

There were too many who had been exercised by the fear of a "Gestapo" to permit the establishment of a "spy agency" unless they first detailed what it could and could not do and where it could and could not operate. There were also many friends of the FBI who wanted to make sure that the DCI could not actually—physically—go into Hoover's office, into his files, into his cases, and thus blow his operations. There were also just as many experienced and suspicious anti-New Deal congressmen who had such an intense dislike of presidential directives and executive orders that they would not leave an intelligence agency to such dangerous instruments of presidential power. Others just did not like the shortcut. So the functions and limitations were spelled out. Except for further protecting the FBI, however, Congress hardly did more than copy out provisions—such as those on "services of common concern," police powers, "sources and methods," and "such other functions and duties"—that had long since been taken for granted. When the work was completed, Congress prided itself on this accomplishment; but being agreeable to everyone, it was no big thing.

Congress made one other change in the bill that had an important, but unintended, effect on CIA. Congress made the President the chairman of the NSC, and that meant that the DCI for the first time reported directly to the President, albeit as the chairman of the Council. Such reporting had always been opposed by the military and by State, but of course it had always been considered an essential characteristic of modern intelligence by Donovan, who as head of COI and OSS had

44Ibid., p. 176.
always reported to Roosevelt. The new arrangement—subordinating the CIA to an NSC headed by the President—was an unexpected solution to the old dilemma of giving the DCI too much freedom or too much external control. It gave the DCI access to the President, and yet it gave the NSC members, particularly Defense and State, a voice in CIA activities and productions. The solution coupled independence for CIA with subordination to an American version of Britain’s old “King-in-Council” concept.

That surprising turn of events constituted what can be seen as a round trip between the zenith and the nadir in the institutionalization of the idea of the Central Intelligence Agency. What was launched by Donovan as a plan for a strong, independent agency was watered down by the JCS in their plan for an agency dependent upon State, War, and Navy, then devitalized by Truman when he established his “cooperative inter-departmental activity,” and then—moving upward from this nadir—heeded for a return to the JCS plan only to pass it by and wind up close to the original point of departure. In other words, in concept, structure, and functions, CIA as signed into law resembled the Donovan plan more than it did any other proposal put forth in the entire developmental process. And to add an ironic twist to this development, the man who proudly signed that law was of course none other than he who had no use for Donovan or his plan, Harry S. Truman.

For his role in the establishment of CIA, the former President does deserve some credit, but not as much as he gives himself. He wholeheartedly supported the warborn movement for a permanent American central intelligence organization but, new to the presidency and certainly hard-pressed by events, he had difficulty fashioning an intelligence policy for his administration. He, indeed, had made the choice of the JCS over the State or McCormack plan; and yet that was an easy choice, and beyond that he had made no contribution to the theory and structure of the CIA. He, indeed, had established the NIA and CIG and had provided the necessary executive push required for passage of the 1947 act; but surely he did no more than FDR would have done—and would have done more expeditiously. Truman did establish CIA, but in doing so he was very largely—however unknowingly—returning to the Donovan plan of 1944. He really only put the capstone on the work done by Donovan (and Stephenson) and Roosevelt.

Second Thoughts

Surprisingly enough for a history buff, Truman persisted in ignoring his indebtedness to others; CIA remained “his invention.” This misconception inevitably spawned in him other misconceptions about the Agency. Nowhere are these more apparent than in his syndicated article which appeared in 1963 and then was widely reprinted in 1975 after the New York Times leveled charges of “massive illegal domestic” spying by the CIA and thereby provoked unprecedented criticism and examination of much Agency activity.

In that article Truman denounced CIA, which he termed “this quiet intelligence arm of the President,” for becoming diverted—as he saw it—from the “original

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46 "Harry Truman Writes: Limit CIA Role to Intelligence," Washington Post, Dec. 22, 1963, p. A-11. For an interesting inquiry into the authorship of this article see Benjamin F. Onate, "What Did Truman Say About CIA?" Studies in Intelligence Vol XVII/3, (Fall, 1973), pp. 9-11. The author establishes that the article was not written by the former President but by an assistant, David Noyes; doubt is also raised as to whether the President ever saw the article prior to its publication. On this latter point see later footnote on letter to Admiral Snower.
assignment" he had given it and for becoming "an operational and at times a policy-making arm of the Government." According to him, the agency's assignment had been the collection of intelligence reports from all sources and their conveyance to the President in their "natural raw state and in as comprehensive a volume" as he could handle and free of "departmental 'treatment' or interpretations" so that he could do his own thinking and evaluating. It had not been his expectation, he said, that CIA would be "injected into peacetime cloak and dagger operations."\(^\text{47}\)

Whatever Truman thought in 1947 or 1963 about CIA's "original assignment," it now ought to be clear that the 1947 Act had a history that precluded the possibility of Truman being the sole and infallible expositor of what that assignment was. It should also be clear that history made the Agency's functions far more numerous and sophisticated than simply funneling "raw" intelligence to the President. It should also be clear that throughout that history no one the least interested in the subject was excusably ignorant of espionage as a part of the Agency's functions; and despite his disavowal of "peacetime cloak and dagger operations," Truman, as we shall see, was probably not ignorant of the fact either.

Only two points made by Truman remain to be considered. The first, "policymaking," is easily disposed of; whether the Agency has or has not become such an "arm of the Government" is clearly beyond the scope of this article, but certainly no one is ever known to have held that such a function was part of the "original assignment."

On the second, the "operational," point, Truman is on good but not unassailable ground. The "assignment" did not explicitly include "covert operations." (Presumably these at least are what Truman had reference to when he employed such ambiguous language as "operational" and "peacetime cloak and dagger operations." The Agency was designed to be "operational," that is, to perform various services and functions, such as the conduct of espionage.) However, no sooner did the international situation in 1947-52 virtually invite American covert operations in Greece, Italy, and elsewhere than President Truman's administration, reading the 1947 Act and scrutinizing resources at hand, found the new CIA the most convenient instrument to use. In other words, Truman in 1947-52 seems to have accepted covert operations as an implicit part of CIA's "original assignment."

If by 1963 he had changed his mind—and there is some doubt as to whether he actually did—he seems not to have renounced covert operations per se but only their conduct by "his invention." In that 1963 article, in a paragraph which is invariably overlooked, especially by critics of all covert operations, Truman—throwing syntax and punctuation to the winds—wrote this recommendation:

I, therefore, would like to see the CIA be restored to its original assignment as the intelligence arm of the President, and that whatever else it can properly perform in that special field—and that its operational duties be terminated or properly used elsewhere.

That last word "elsewhere" surely demonstrates that Truman was only slightly more helpful than the JIS civilians who in 1944 thought "subversive operations abroad" not the "appropriate function" of an intelligence service but failed to say to whom they were "appropriate." Truman at least positively assigned them "elsewhere."

\(^\text{47}\)"Truman Writes: Limit CIA Role," see footnote above.
Truman's recommendation brings us back to espionage. That Truman knew CIA was intended to be a "spy agency" might be deducible from that elliptical reference to "whatever else it can properly perform in that special field." Anything else could certainly have been expressed in a less obviously veiled manner.

While Truman apparently did not actually write that 1963 article, an exchange of correspondence with Admiral Sourers\(^48\) shortly after its appearance demonstrates his familiarity with and endorsement of it. About the same time—after the Bay of Pigs—he was privately telling Merle Miller that CIA was "a mistake," which "if I'd known what was going to happen, I never would have done it."\(^49\)

Miller does point out some ambiguity between some public and private statements of Truman's,\(^50\) and while some people tend to stress this ambivalence, and to suggest that memory and old age had gotten the better of the former President, the weight of the evidence suggests that Truman, however proud he originally was of his role in the establishment of CIA, did have some unhappy second thoughts. The conclusion here is that to the extent he had such thoughts they are directly traceable to his own ignorance of the history of that event.

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\(^48\) Letters, Sourers to Truman, Dec. 27, 1963, and Truman to Sourers, Jan. 17, 1964, Papers of Sidney Sourers (Truman Library, Independence, Mo.) Sourers, congratulating Truman on the Dec. 22, 1963, article, criticized Allen W. Dulles for "caus[ing] the C.I.A. to wander far from the original goal established by you . . . ." In reply, Truman said he was "happy . . . that my article rang a bell with you because you know exactly why the organization was set up—it was set up so the President would know what was going on." That Truman actually wrote this letter seems evident from the postscript written apparently by him: "The girls aren't working today—so I fold 'em and lick 'em myself!"

\(^49\) Miller, op. cit., p. 419.

\(^50\) Ibid., p. 420. Miller observed that "publicly Mr. Truman continued to uphold the CIA. This was one of the few areas in which what he said publicly differed from what he said privately." As evidence, he cites a passage in the 1971 Esquire article cited in footnote 2 above; Truman is quoted therein as noting that CIA is "still going, and it's going very well." This writer could not locate the remark in the place given.