The FBI and Foreign Intelligence

New Insights into J. Edgar Hoover’s Role

G. Gregg Webb

The events of 11 September 2001 and the threat from global terrorism have put the structure and composition of the US Intelligence Community under intense scrutiny. An important question in this debate over the organization of US intelligence resources is what role, if any, the Federal Bureau of Investigation should play in meeting the intelligence requirements of the US government in the 21st century. Many wonder whether an organization built to investigate breaches of law can rework itself into an organization capable of predicting and preventing acts of terrorism.

With the FBI’s future status in the Intelligence Community uncertain, this seems an especially appropriate moment to review the Bureau’s role in the earliest development of US intelligence capabilities. One of the most interesting, but least documented, chapters in the history of the FBI is the experience of its Special Intelligence Service (SIS) during World War II. Established in 1940, the FBI’s SIS was the first foreign-intelligence bureaucracy in US history, created years before the Central Intelligence Agency and even before the Agency’s forerunner, William “Wild Bill” Donovan’s Office of Strategic Services (OSS).

The SIS was responsible for intelligence and counterintelligence activities in the entire Western Hemisphere. Although it was part of J. Edgar Hoover’s FBI and the Department of Justice, the SIS worked at the behest of the State Department, collecting political, economic, financial, and industrial intelligence throughout Central and South America. Through the work of an extensive and diligent network of undercover FBI special agents and later legal attaches officially attached to US legations, the Service excelled in its responsibilities.

Limited Research

Highly effective in its execution and pioneering in its mission, the SIS nonetheless has received little scholarly attention compared to its Eastern Hemisphere counterpart, Donovan’s OSS. The chief reason for this imbalance rests in where the fighting took place: Donovan and his team operated in the theaters of active combat, while Hoover and his group labored to secure the American homeland in the relative peace of the Western Hemisphere. Although fears of invasion were widespread and tensions from the threat of Axis sabotage high, the focus of history has been, perhaps inevitably,

The FBI’s Special Intelligence Service was the first foreign-intelligence bureaucracy in US history.

G. Gregg Webb is a recent graduate of Princeton University. This article won the Walter L. Pforzheimer Award as the most outstanding student submission to Studies in Intelligence in 2003.

1 Memorandum from FBI Director J. Edgar Hoover to Head of MID [Military Intelligence Division] Brig. Gen. Sherman Miles, 3 August 1940; Section 1; File 64-4104; Administrative Records of the SIS, General Records of the FBI, Record Group 65 (RG 65); National Archives at College Park, College Park, MD (henceforward, NACP).
on Donovan’s commandos and not Hoover’s investigators.

Additionally, the highly sensitive nature of SIS work—specifically, its investigations into the governments of Washington’s supposed “good neighbors” in Latin America—kept most SIS records hidden from public view for many years after the war’s end. Early on, official chroniclers of the World War II period—including Thomas Troy with the CIA, and Don Whitehead with the FBI—provided glimpses into SIS activities; however, for reasons of space in the former’s account and security in the latter’s, neither narrative delves more deeply into the SIS’s experience than its birth and a few of its most successful operations.²

² Troy wrote the official history of the establishment of the CIA and had access to most of the existing documentation, both classified and declassified, concerning the SIS. His account provides a useful narrative of the events and personalities surrounding the formation of the SIS, but the focus of his work is on Donovan and the OSS. Thomas F. Troy, Donovan and the CIA: A History of the Establishment of the Central Intelligence Agency (Center for the Study of Intelligence, Central Intelligence Agency, 1981). Whitehead’s unofficial history of the FBI—which was sanctioned by FBI Director J. Edgar Hoover—draws on some of the then-classified records of the FBI concerning the SIS. His account provides a colorful, and predictably favorable, account of SIS activities. Because of security requirements, Whitehead’s book is vague on the personalities and events surrounding the SIS’s institutional development within the US government. Don Whitehead, The FBI Story: A Report to the People (New York, NY: Random House, 1956).

During the mid-1980s, Leslie Rout, Jr., and John Bratzel sought to fill the gap in SIS scholarship with their extensively researched account of German espionage and US counterespionage activities in Latin America during World War II. Their work remains the definitive volume in the historical narrative on the SIS, even though it largely ignores the Service’s efforts against Japanese intelligence operatives during the war.³ The most recent contribution to SIS scholarship came last year with a doctoral dissertation by Raymond Batvinis on the development of the FBI’s counterintelligence program.⁴ Batvinis’s treatment highlights some previously unconsidered documents concerning the management of the SIS, but his discussion of the organization remains incidental to his larger purpose and, thus, only cursory.

³ Leslie B. Rout, Jr., and John F. Bratzel, The Shadow War: German Espionage and United States Counterespionage in Latin America during World War II (Frederick, MD: University Publications of America, 1986).


The central argument of this article is that historians have misjudged J. Edgar Hoover’s attitude toward the SIS during its formative years from 1940 to 1942, attributing to him a more aggressive interest in expanding his purview overseas than the record supports. This conclusion has been developed from a comprehensive study of the administrative files of the SIS, housed at the National Archives at College Park, Maryland.

At the Creation

President Franklin D. Roosevelt officially vested the FBI with responsibility for foreign-intelligence work in the Western Hemisphere on 24 June 1940. Within days, FBI Director J. Edgar Hoover had established the administrative skeleton for a foreign-intelligence entity within the FBI and had named it the FBI Special Intelligence Service.

The SIS story begins, however, a full year earlier. On 26 June 1939, Roosevelt signed a Presidential Directive stating:

“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 [MID] of the War Department, and the Office of Naval Intelligence [ONI] of the Navy Department. The Directors of these three agencies are to

FBI

Historians have misjudged J. Edgar Hoover’s attitude toward the SIS during its formative years.
function as a committee to coordinate their activities.5

The President’s directive was in response to a wave of espionage that had erupted inside the United States during the previous year.6 In 1938 alone, the FBI had investigated 634 cases of espionage compared to a previous annual average of just 35 such cases.7 This upsurge was a direct result of Hitler’s ascension to power in Germany and a corresponding redoubling of intelligence collection efforts by German, Japanese, and Italian agents stationed in the United States.8 By consolidating responsibility for “espionage, counter-espionage, and sabotage matters” in the hands of the FBI and the service intelligence organizations, Roosevelt hoped to bring order to the chaos that had thus far marked the US government’s response to internal espionage threats.9

After narrowing the field of investigating agencies, the next most important stipulation of the 26 June directive was its call for an interdepartmental committee to “coordinate” the US counterintelligence effort. This body became known as the Interdepartmental Intelligence Committee (IIC) and included the heads of the FBI, MID, and ONI, along with a senior official from the State Department, although representation on the Committee was not always at that level.

The IIC got off to a slow start. Its members were wary of sharing information and resources with each other lest they lose control over their existing influence in the counterintelligence field. Indeed, the heads of the three agencies had stopped coming to IIC meetings by the time that world affairs forced them back to the table in the spring of 1940.10

In May 1940, Hitler launched his assault against British and French forces in Western Europe.11 The heads of the three IIC organizations—Hoover with the FBI, Brig. Gen. Sherman Miles of MID, and Rear Adm. Walter Anderson of ONI—expected increases in espionage activity within the United States as a result of the German successes in Europe.12

The major point of jurisdictional conflict between the members of the IIC concerned the conduct of espionage, counter-espionage, and counter-sabotage activities in foreign countries.15 Neither of the service intelligence organizations wanted responsibility for covert operations because they feared such activities might compromise the diplomatic status that their attachés enjoyed abroad.16 The FBI lacked a compelling excuse. Thus, a consensus emerged in favor of the FBI taking responsibility for covert foreign-intelligence and counterintelligence work.

But the committee could not agree on who should authorize

5 Presidential Directive of 26 June 1939; Section 2; File 64-4104; Administrative Records of the SIS; RG 65; NACP.
6 Troy, p. 11.
7 Ibid.
8 Ibid.
9 Ibid., p. 13. Previous counterespionage cases had seen agencies ranging from the State Department to the Treasury Department to the Post Office claiming jurisdiction for investigations.
10 Rout and Bratzel, p. 34.
11 Batvinis, p. 64.
12 Rout and Bratzel, p. 34, and Batvinis, p. 64.
13 Rout and Bratzel, p. 34, and Troy, p. 16.
14 This discussion of jurisdictional demarcations among the members of the IIC is derived from similar discussions in Troy, p. 16, and Batvinis, pp. 64-65.
15 Ibid.
16 Troy, p. 17.
such activities. The service agencies and the State Department feared FBI encroachment on their domains, while the FBI loathed the thought of working under the other three—in essence, gaining the responsibility for foreign-intelligence work without the authority to control its direction. To resolve this and related concerns regarding foreign-intelligence responsibilities, the IIC established a subcommittee at its 3 June 1940 meeting “to prepare a study of a proposed set-up for a Special Intelligence Service.”

The subcommittee’s report was discussed at the IIC’s next meeting on 11 June. The report emphasized the need for a covert foreign-intelligence capability within the US government, stating that such an organization “is not only desirable but essential at the present time.” The subcommittee’s specific recommendations for structuring this “Special Intelligence Service” included a “Chief of the Service” based in New York City who would run the new agency with intelligence management support from a “Technical Committee” of intelligence professionals. During the 11 June meeting, the members approved the subcommittee’s proposal and agreed that personnel decisions and other administrative considerations would be resolved after the State Department’s representative, Assistant Secretary of State Adolf Berle, had gained presidential approval of the plan.

Roosevelt Throws a Curve

On 24 June 1940, Assistant Secretary Berle called President Roosevelt to receive authorization for the IIC’s proposal. Instead, Roosevelt decided on a drastically different plan from the IIC’s vision of an independent and interdepartmental foreign-intelligence organization. In his telephone directive, Roosevelt stated that “he wished that the field [of foreign-intelligence work] should be divided.” He ordered that “The FBI should be responsible for foreign-intelligence work in the Western Hemisphere, on the request of the State Department,” while “The existing Military Intelligence and Naval Intelligence branches should cover the rest of the world, as and when necessity arises.” President Roosevelt concluded his directive by observing how “It was understood that the proposed additional foreign intelligence work should not supersede any existing work now being done; and that the FBI might be called in by the State Department for special assignments outside the American Hemisphere, under special circumstances. Aside from this, intelligence outside the American Hemisphere is to be left to the officers of the Army and Navy.
Roosevelt’s exercise of execution discretion left the FBI with responsibility for intelligence in the entire Western Hemisphere.

Thus, on 1 July 1940, FBI Director Hoover baptized a “Special Intelligence Service” in the FBI and immediately began constructing the administrative framework for his new section, appointing his assistant director, Percy “Sam” Foxworth, as the first SIS chief.

Bureaucratic Challenges

Despite the IIC’s agreement to finance the fledgling SIS per Roosevelt’s mandate, the FBI’s placement at the head of foreign-intelligence and counterintelligence work in the Western Hemisphere did not go unchallenged. Less than a month after the President’s decision, MID’s Gen. Miles wrote a memorandum to Hoover in which he complained that the FBI was incorrect in maintaining that its intelligence collection mandate was “encyclopedic in scope.”

Miles “suggested” to Hoover that the work of his new agency might properly “be limited...to subversive activities in foreign countries,” because, as Miles observed, “the need for a S.I.S. was envisaged, primarily to supplement by under-cover information the data which our accredited agents in foreign countries [i.e., military and naval attachés] could obtain.”

Although sensitive to the FBI’s total inexperience in foreign-intelligence work, Hoover refused to allow his bureaucratic mandate to be blurred. His tactful, but pointed, response a week later to Miles’s inquiry merely asked the head of MID to either agree or disagree with Hoover’s own understanding that “the Conference [IIC] with your concurrence...agreed that no restrictions should be placed on the scope of the S.I.S.” Hoover noted, however, that the SIS would place its emphasis on countering the threat from subversive groups in Latin America.

What Roosevelt’s specific reasons might have been for dividing foreign-intelligence responsibility as he did in 1940 remain unclear, but his behavior in this instance was certainly not out of the ordinary for him.

“should not supersede any existing work now being done...”

Always the astute politician, Roosevelt probably included this condition to calm the fears of the armed forces that the FBI’s new mandate might encroach on the intelligence collection efforts of existing military and naval attachés in Latin America.

President Roosevelt’s exercise of executive discretion in veering from the IIC’s recommendations left the FBI with an unexpected responsibility for foreign-intelligence work in the entire Western Hemisphere. Roosevelt’s willingness to diverge from the counsel of his advisers and forge his own division of intelligence responsibility was characteristic of his presidential style, especially on matters of intelligence where he thought his long interest in the subject gave him special insight and authority.

In describing Roosevelt’s prewar foreign policymaking, historian Christopher Andrew observes how, “Instead of relying on an orderly system of assessment, he preferred to base his judgments on impressions drawn from a wide range of official and unofficial sources.”

What Roosevelt’s specific reasons might have been for dividing foreign-intelligence responsibility as he did in 1940 remain unclear, but his behavior in this instance was certainly not out of the ordinary for him.

24 Ibid.
25 Christopher Andrew, For the President’s Eyes Only (New York, NY: Harper Collins, 1995), Ch. 3.
26 Ibid., p. 86.

27 Rout and Bratzel, , p. 37, and Troy, p. 17.
28 Ibid.
29 Memorandum from Miles to Hoover, “Scope of the SIS,” 23 July 1940; Section 1; File 64-4104; Administrative Records of the SIS; RG 65; NACP.
30 Ibid.
31 Letter from Hoover to Miles, 3 August 1940; Section 1; File 64-4104; Administrative Records of the SIS; RG 65; NACP, and Troy, pp. 17, 20.
32 Ibid.
33 Letter from Miles to Hoover, 7 August 1940; Section 1; File 64-4104; Administrative Records of the SIS; RG 65; NACP.
Hoover refused to allow his bureaucratic mandate to be blurred.

Institutional recognition within the US government, however, did not constitute full legal authorization. Hoover and his subordinates had their hands full during the next year and a half training new SIS agents and managing the operations of those already abroad, but they conducted all of this work entirely on the authority of President Roosevelt’s unofficial telephone directive of 24 June 1940.

With the coming of war in December 1941, Hoover immediately sought official recognition of the informal arrangement under which the SIS had been operating. As an astute bureaucrat, he probably feared that the surprise onset of war would activate currents of reform and expansion within the service intelligence organizations, and he sought to shelter himself and his young SIS from such an onslaught. Hoover got what he requested. On 16 January 1942, Roosevelt signed a presidential directive that officially recognized the FBI’s Special Intelligence Service and renewed its mandate as the chief government purveyor of clandestine foreign intelligence in the Western Hemisphere.

Since their first tense exchange over the scope of SIS responsibilities during the summer of 1940, Hoover and Miles had fought a running battle over the nature of the SIS’s mission. Hoover sought both to protect his sole authority to administer the SIS and to preserve the SIS’s original mandate as the only agency charged with clandestine foreign-intelligence work in the Western Hemisphere. Miles feared that such sweeping authority would cause the SIS to overshadow and impede the efforts of his attachés to collect military intelligence in the region.

The tension between the two persisted until Maj. Gen. George Strong replaced Miles as head of MID. Following this change of command, the two service intelligence organizations and the FBI finally signed a detailed agreement on 14 October 1942 delineating their separate intelligence responsibilities in the Western Hemisphere but emphasizing the need for cooperation. This agreement elaborated on the general division of labor that had previously existed between the FBI, MID, and ONI, with the service intelligence organizations responsible for information and investigations pertaining to their respective fields and the FBI in charge of all other foreign-intelligence and counterintelligence activities in the Americas. The agreement marked the end of skirmishing between the FBI and MID over intelligence work in the Western Hemisphere.

The Historical Record

That J. Edgar Hoover was a master of bureaucratic infighting hardly deserves explicit mention here. His more than half a century as Director of the FBI speaks for itself. Hoover’s behavior towards the other members of the IIC, especially Gen. Miles, possessed many hallmarks of a classic Hoover power

34 Memorandum for the Attorney General, 31 December 1941; Section 2; File 64-4104; Administrative Records of the SIS; RG 65; NACP.

35 Presidential Directive, signed 16 January 1942; Section 2; File 64-4104; Administrative Records of the SIS; RG 65; NACP.

36 For details concerning the conflict between Hoover and Miles after August 1940, see Rout and Bratzel, pp. 38-39, and Troy, pp. 46-47.

37 Agreement between MID, ONI, and FBI for Coordinating Special Intelligence Operations in the Western Hemisphere, October 14, 1942; Section 5; File 64-4104; Administrative Records of the SIS; RG 65; NACP. There is some doubt as to the effective date of this Delimitation Agreement. The copy of the agreement that the author found in the SIS administrative files was dated 14 October 1942; however, in Section 11 of this same set of documents (File 64-4104), the author found a post-war memorandum that set the signing date of the Delimitation Agreement as 25 November 1942. I could find no reference to either document in any of the secondary source material I reviewed.
grab, including private, preemptive visits to the president to pitch his personal agenda and stubborn resistance to efforts to amend his SIS mandate.38

Indeed, by February 1941, Hoover’s recalcitrant behavior in defending his SIS responsibilities from MID had so inflamed both his direct superior, Attorney General Robert Jackson, and Gen. Miles’s superior, Secretary of War Henry Stimson, that the two secretaries actually met about the conflict on 13 February 1941. During their meeting, the two agreed to “make another effort to establish a proper collaboration and cooperation” between their subordinates.39 During the course of this initial struggle between the FBI and MID, Stimson had called one of Hoover’s letters of complaint against MID “a very childish, petulant statement” and Attorney General Jackson had been forced to agree that Hoover was “a difficult person” to get along with.40

The bulk of historical literature concerning Hoover and the early experience of the SIS casts Hoover in a power-hungry and competitive light. In their seminal work on the subject, Rout and Bratzel refer to the way in which Hoover “vanquished” Gen. Miles “in his bid for hemispheric control.”41 They go on to describe how Hoover emitted “screams of foul play” in response to a similar challenge from the President’s Coordinator of Information (COI), Col. Donovan, later in the war.42 Likewise, Batvinis’s narrative cites Hoover’s “aggressive attempts to wrest control of intelligence and counterintelligence policy away from the State Department” at the beginning of the negotiations from which the SIS emerged.43 Thus, according to previous accounts, Hoover’s attitude and behavior in establishing the SIS were motivated by his well-documented bureaucratic greed and self-interest.

A New Interpretation

Examination of the official correspondence between Hoover and the other actors in the SIS debate, including his FBI subordinates, his counterparts in the intelligence field, and his cabinet-level superiors, paints a very different picture of the FBI Director’s attitude toward the SIS and its foreign-intelligence responsibilities. During the formative period—from the SIS’s inception on 1 July 1940 to the signing of the final delimitation agreement between the FBI, MID, and ONI on 14 October 1942—Hoover tried to rid himself and his agency of the SIS and its foreign-intelligence liabilities three times. The documents concerning these efforts to transfer the SIS’s duties out of the FBI reflect Hoover’s trepidation toward building a foreign espionage and counter-espionage organization. In the event, he accepted this assignment with resolve and characteristic ability, but his administrative competence and bureaucratic scheming belied what were clearly his deep reservations concerning management of the SIS’s work in Latin America.

The administrative files of the SIS shed light on Hoover’s motivations for battling to preserve in the SIS all authority for non-military foreign-intelligence work in Latin America. Commentators both then and since have dismissed Hoover’s actions as petty protectionism. Actually, Hoover was a capable bureaucrat and, as such, loathed the thought of interagency power-sharing or nebulous divisions of responsibility.44 Hoover wanted either all the authority to administer a given task or none of it. Analysis of the three major instances when his authority over the SIS was tested indicate that Hoover

38 Troy, pp. 46-47.
40 Ibid., and Batvinis, p. 61.
41 Rout and Bratzel, p. 37.
42 Ibid., p. 39.
43 Batvinis, p. 60. It should be noted that later in Batvinis’s account of events (pp. 316-317) he does make note of Hoover’s efforts “to unload the SIS responsibility onto another IIC service,” but he does not discuss in depth Hoover’s attitude and efforts on this score.
44 Batvinis, p. 50.
was much more interested in preserving the sanctity of the SIS mission than in retaining its accompanying powers and influence for himself. This fact is evinced by his willingness in all three cases to concede FBI control over SIS operations in a given country, and even throughout Latin America, rather than face a division or duplication of SIS responsibilities across multiple agencies.

Hoover's first effort to pass off his SIS burden lasted through the spring and summer of 1941 and was directed at the Office of Naval Intelligence. On 15 March 1941, Hoover sent a memorandum to his superior, Attorney General Jackson, in which he “recommended that the Special Intelligence Service be transferred to either the Office of Naval Intelligence or the Military Intelligence Division.”

In a follow-up memorandum on 4 April, Hoover repeated his call for the reassignment of the SIS to either ONI or MID. He explained that “the Bureau is marking time in so far as any extension of its coverage in the Latin Americas is concerned.”

Thus, even in April 1941, almost a year after the SIS's inception, Hoover was so hopeful that he could get the SIS reassigned that he hesitated to pump any more FBI time and money into it than was absolutely necessary.

When ONI, represented by W. B. Phillips, approached one of Hoover's chief deputies at the FBI, Edward Tamm, on 1 August 1941 with a proposal to expand ONI's clandestine operations in Mexico, Hoover not only authorized Tamm to accept the Navy's proposal, but also pushed him to offer ONI “the entire responsibility for the Mexican coverage.”

In a private FBI memorandum, Hoover agreed with Tamm's analysis that if ONI could be made to take over foreign-
intelligence work in Mexico, “we will have the services of at least a half dozen Agents who can be well used on other work and possibly by this means we may over a period of time get rid of most of the work in the SIS field.”

In their meeting, Tamm used a pragmatic argument to sell Phillips on the idea stating:

…as the Navy expanded in Mexico and as the Bureau was compelled to expand, there would be undoubtedly a duplication of effort and coverage and that in so far as the Bureau was concerned, we were of the feeling that possibly one agency should have the entire responsibility for the Mexican [intelligence] coverage.

Hoover's notation at the bottom of this memorandum from Tamm describing the latter's meeting with Phillips emphasizes Hoover's keen desire to see the SIS go. Next to Tamm's statement that Phillips had told him he would recommend to ONI that it take over all responsibility for espionage and counterintelligence coverage in Mexico, Hoover wrote an order to Tamm to “Follow up and try to get something finally in writing.”

This transfer initiative, however, was to die quickly and decisively. At a weekly conference on 6 August 1941, the head of ONI, Capt. Alan Kirk, told Tamm that “he was thoroughly and unalterably opposed to this proposal” on the grounds that “the best interests of the Government would be served if the Bureau continued to operate in Mexico…”

Second Effort to Divest

In contrast to Hoover’s first effort to divest himself of his SIS responsibilities, his next two opportunities were not initiated by the FBI. Nonetheless, the FBI’s position on whether or not the SIS should be handed over to its new suitor, COI chief Donovan, reflected Hoover’s two main concerns on the matter: his anxiety over the FBI’s total inexperience in foreign-intelligence work and his conviction that the SIS’s foreign-intelligence responsibilities should not be divided between agencies.

Donovan was a relatively late arrival on the intelligence scene. On 11 July 1941, he received a presidential appointment as Coordinator of Information and an ambiguous set of responsibilities, including the “coordination and correlation of defense information.” In hammering out his mission, Donovan made two attempts to assume control over the SIS’s foreign-intelligence activities in Latin America. The first of these efforts came soon after his appointment. In a 27 August 1941 IIC meeting, the head of ONI, Capt. Kirk, broached the subject of Col. Donovan’s taking over “the entire SIS project.” Kirk said that he had talked to both his Navy superiors and Donovan himself and that all had been amenable to such an arrangement. Kirk noted how Donovan had emphasized that “his willingness to take this project over depends entirely upon the premise that the three intelligence agencies actually desire” his intervention.

Gen. Miles expressed a similar concern over the possibility that such a transfer of the SIS from the FBI to the COI might be construed as an effort by the IIC members to rid themselves of responsibility for foreign-intelligence work.

---

47 Memorandum from Tamm to Hoover, 26 July 1941; Section 1; File 64-4104; Administrative Files of the SIS; RG 65; NACP; and Memorandum from Tamm to Hoover, 1 August 1941; Section 1; File 64-4104; Administrative File of the SIS; RG 65; NACP.
48 Memorandum from Tamm to Hoover, 26 July 1941.
49 Memorandum from Tamm to Hoover, 1 August 1941; Section 1; File 64-4104; Administrative Files of the SIS; RG 65; NACP.
50 Ibid.
51 Memorandum from Tamm to Hoover, 11 August 1941; Section 1, File 64-4104; Administrative Files of the SIS; RG 65; NACP.
52 Troy, p. 69.
53 Informal Minutes of the Interdepartmental Intelligence Conference, 27 August 1941; Section 1; File 64-4104; Administrative Files of the SIS; RG 65; NACP.
54 Informal Minutes of the Interdepartmental Intelligence Conference, 27 August 1941; and Memorandum from Forsworth to Hoover, “Agenda [for] Interdepartmental Intelligence Conference,” 2 September 1941; Section 1; File 64-4104; Administrative Files of the SIS; RG 65; NACP.
55 Ibid.
Following discussion over the proper appearance of any power transfer, Kirk went on to note that Donovan had told him "he would hate to see the FBI drop out of the picture in South and Central America."\(^{56}\) According to Kirk, Donovan had stated that after the transfer of the SIS to his agency, he hoped the FBI might stay on in Latin America and work on matters affecting the "internal security" of the United States.\(^ {57}\) Tamm, representing Hoover on the IIC, reflected his superior's fears of blurred jurisdiction when he observed:

…that the difficulty in connection with any such project as this would be the borderline cases and projects where the delimitation of jurisdiction could not be clearly defined, for which reason there would be extreme difficulty in definitely fixing responsibility concerning a large amount of SIS work.\(^ {58}\)

Tamm got the issue tabled until the next IIC meeting on 3 September 1941 by stating that Hoover had made it clear to him that no action concerning the SIS could be taken without first talking to Assistant Secretary of State Berle.\(^ {59}\) Berle managed the SIS for the State Department, which under President Roosevelt's telephone directive of 24 June 1940 held ultimate authority over SIS activities.

On 2 September 1941, in preparation for the IIC meeting the next day, Hoover sent Tamm to the State Department to update Berle on the move to have Donovan take over the SIS. In describing the facts to Berle, Tamm presented the FBI position as indifferent toward handing responsibility for the SIS to Donovan. Tamm stated that "the Bureau had not taken the initiative in the matter, had not pushed it and had no feeling one way or the other as to whether this transfer should be made."\(^ {60}\) According to Tamm, he had further characterized Hoover's personal "attitude" as being "that you [Hoover] had not sought or solicited the SIS operations and that you would continue to perform them until such time as they were transferred to someone else."\(^ {61}\) In this meeting with Berle, Tamm not only expressed Hoover's indifference toward holding the reins of the SIS, but he also noted Hoover's "feeling" that it would be a mistake to divide the coverage or the responsibility” of the SIS.\(^ {62}\) These would have been alien "attitudes" and "feelings" for Hoover if he really had fought for the early SIS as the greedy bureaucratic gladiator that figures so prominently in most literature on the subject.

Berle's response to the idea of a Donovan-led SIS was negative. Berle told Tamm that he was against the transfer of the SIS to Donovan because the Service "had done such an excellent job with such great efficiency, completely without friction, in the various countries we were operating [sic] that he would be opposed to having it transferred into untried hands."\(^ {63}\)

Berle's opposition squelched this first Donovan initiative, but by December 1941, the possibility of Donovan taking over the SIS's work in Latin America had reemerged. In a memorandum on 31 December 1941 to Attorney General Francis Biddle, Hoover described his previous contacts with Donovan concerning the SIS and outlined his own position on the subject of how it should be administered. Hoover's statements here corresponded with Tamm's earlier accounting of Hoover's attitude toward SIS control. In describing a conversation with Donovan over the idea of COI and FBI agents working side by side in Latin America, Hoover recounted how he had

\(^{56}\) Informal Minutes of the Interdepartmental Intelligence Conference, 27 August 1941.

\(^{57}\) Ibid.

\(^{58}\) Ibid.

\(^{59}\) Ibid.

\(^{60}\) Memorandum from Tamm to Hoover, 2 September 1941; Section 1; File 64-4104; Administrative Files of the SIS; RG 65; NACP.

\(^{61}\) Ibid.

\(^{62}\) Ibid.

\(^{63}\) Ibid.
Tensions [between the FBI and military attachés] revolved around the recruitment of foreign agents in overlapping jurisdictions.

I do very strongly feel that the character of the work is of such delicacy and involves so many hazards and complications that the responsibility for the carrying on of it should rest in the hands of one agency.

The FBI chief concluded his argument by stating: “I do strongly recommend that the FBI be relieved of all responsibility for the handling of any special intelligence work in the Western Hemisphere, and that this responsibility be completely and fully placed upon Colonel Donovan’s organization.” Hoover’s words here are hardly those of a man scheming to keep the SIS for himself.

In the event, Biddle met with Donovan and leaders from State, MID, and ONI on 6 January 1942 to resolve the issue of intelligence jurisdictions in Latin America. The agreement hammered out in this two-and-a-half-hour meeting directly contradicted Hoover’s expressed desire to divest his agency of all foreign-intelligence responsibility. Instead, it reaffirmed the FBI’s hegemony over the SIS and explicitly excluded Donovan from conducting any independent intelligence work in Latin America. Although the specific justifications for keeping the FBI status quo at this juncture remain cloudy, the Bureau’s effective execution of its SIS duties over the preceding months probably encouraged such an outcome.

Final Challenge

The final challenge to Hoover’s control over the SIS came during the summer of 1942. In June, MID began operating the American Intelligence Command (AIC) in Latin America. The AIC was an effort by MID to establish a network of undercover intelligence-gathering organizations run by the military attachés assigned to each diplomatic legation in Latin America. Col. R. Townsend Heard ran the American Intelligence Command for MID.

During the summer of 1942, reports from SIS undercover agents throughout Latin America poured in describing conflicts and confusion between SIS agents and the military attachés. These tensions generally revolved around the recruitment and management of foreign intelligence.

64 Memorandum from Hoover to Biddle, 31 December 1941; Section 2; File 64-4104; Administrative Files of the SIS; RG 65; NACP.
65 Ibid.
66 Ibid.
67 Ibid.
68 Ibid.
69 Troy, p. 119.
70 Ibid.
71 Memorandum from D. M. Ladd to Hoover, 25 September 1942; Section 5; File 64-4104; Administrative Files of the SIS; RG 65; NACP.
agents in their respective, but often overlapping, jurisdictions. In one rather comic instance, an attaché in Guatemala had lobbied hard but unsuccessfully to recruit a Mr. A. L. Smith, who already happened to be a SIS undercover agent. The military attaché then went to the man’s brother, who also resided in Guatemala. The brother, Robert Smith, “being unable to give sufficient reasons for refusal, had to accept” the job of being an AIC undercover agent in the same vicinity where his brother was already a SIS undercover informant. Not surprisingly, such duplication plagued the AIC’s efforts to establish a clandestine intelligence collection network in Latin America.

When Hoover found out about the AIC, he immediately complained to both Attorney General Biddle and the new head of MID, Maj. Gen. George Strong. In a 10 September 1942 letter to Strong, he outlined his attitude toward the AIC and its work. Following a by-then well-worn line, Hoover stated:

*I am most anxious and willing to withdraw entirely and completely from the Latin Americas. As I have indicated, I have no interest in prerogatives nor any desire to extend or expand the Federal Bureau of Investigation into varied and far-flung fields. The Bureau already has a full measure of responsibility within the United States and the territorial possessions which, if it discharges it fully, will more than justify the Bureau’s existence and maintenance.*

Hoover’s efforts to clear up the overlap between the SIS and the AIC were successful; however, his accompanying labors to get the SIS transferred failed, just as had all his previous attempts.

**Latin America Operations**

After the summer of 1942, Hoover’s attitude toward the SIS and its foreign-intelligence mission began to change markedly. By October 1942, the SIS had 156 special agents throughout Latin America operating under a multitude of clandestine cover. Most of these agents, in turn, ran foreign operatives who collected information that was passed directly to FBI headquarters. In addition to its extensive intelligence-collection network, the SIS’s counter-espionage capability continued to expand and improve after 1942. SIS agents were FBI agents, after all, and the FBI was the preeminent investigative agency in the world at the time. SIS personnel excelled in their efforts at hunting down Axis agents, breaking up Axis signals intelligence channels, and identifying laundered Axis funds.

The list of SIS operational exploits is both long and varied. One of the more exotic challenges taken up by the SIS during the war was a highly successful campaign against Axis agents attempting to smuggle platinum out of Colombia and send it back to Germany for use in German military equipment. By 1942, Colombia was the only one of the five platinum-producing countries in the world that was not at war with Nazi Germany. Desperate for platinum, the Germans were willing to pay top prices for Colombian platinum, which was usually smuggled overland into Axis-friendly Argentina and, from there, shipped to Europe. SIS agents countered all such efforts aggressively, hiking through the jungles of Colombia in search of smuggling trails and cultivating local residents as informers. These proactive measures proved highly effective. In fact, between 1942 and July 1944, SIS agents monitoring the production of platinum in Colombia were able to account for all but 2,507 troy ounces of the platinum mined during this period. Though some or all of this unaccounted-for

---

72 Ibid.

73 Letter from Hoover to Strong, 10 September 1942; Section 4; File 64-4104; Administrative Files of the SIS; RG 65; NACP.

74 Batvinis, p. 323.

75 Ibid.

76 By far the most detailed and comprehensive study of SIS operations appears in Rout and Bratzel. Whitehead’s book also contains useful discussions of SIS operations in Latin America.

77 This discussion of platinum smuggling extends from a similar discussion in Whitehead, pp. 224-27.
metal might have arrived in German hands, such an amount was inconsequential in light of the estimated 137,500 troy ounces of the metal that the German military needed between 1942 and mid-1944.78

The SIS was also highly successful in tracking down the clandestine radio stations that German agents used to send wartime intelligence back to Germany. This information ranged from Allied activities in the major ports and airstrips where trans-Atlantic troop and supply movements took place to the pedestrian political gossip of the agents’ “host” countries.79 SIS personnel seized enemy radio transmitters and arrested their operators in most of the major countries of Latin America, taking down some especially sophisticated operations in Brazil and Chile.80 Between fiscal years 1941 and 1945, the SIS located 24 clandestine radio stations in Latin America and confiscated 30 transmitters, thereby hamstringing the flow of communication between German agents in the Western Hemisphere and their handlers back in Germany.81

Although Hoover himself does not appear to have shown much interest in the florid details of SIS clandestine operations, he did demand final review over all administrative decisions concerning the management and organization of the SIS as a division within the FBI.82 In this regard, he did not vary from his normal, highly centralized management style.

Postwar Proposal

As SIS successes mounted, so did Hoover’s confidence in the field of foreign-intelligence and counter-intelligence work. Indeed, by December 1944, Hoover was bold enough to propose a “world-wide intelligence system” for after the war that would be administered by the FBI and organized like the SIS.83 Even though there is little evidence to suggest that Hoover actually enjoyed the SIS’s sensitive foreign-intelligence work, he could recognize a promising institutional model when he saw one and he clearly valued the SIS as a vehicle for expanding both his own power and the postwar influence of the FBI. His proposal marked a clear departure from his early reservations over the SIS and his responsibility for it.

Hoover’s newfound optimism shines through in a memorandum he wrote to Attorney General Tom Clark on 29 August 1945 seeking a worldwide intelligence role for the FBI along the lines of its work in Latin America. Hoover began his argument by observing that “the SIS program operated by the Bureau in the Western Hemisphere has been completely successful. The program has produced results which were beyond our hope and expectations when we went into this field…”84 Hoover soon got to his point saying, “It seems to me, therefore, that…it is most logical that the system which has worked so successfully in the Western Hemisphere should be extended to a world-wide coverage.”85 Here, at last, was the fabled drive for power that commentators on the SIS have been so anxious to assign to Hoover. The wily director concluded his

82 These observations concerning Hoover’s involvement in the SIS extend from the nature and content of the documents that I encountered in the Administrative Files of the SIS at the NACP. The SIS Administrative Files are filled with memos covering the details of such topics as the reorganization of SIS file cards, the curriculum of the SIS agent training school, and the SIS liaison with the State Department. Most of these documents bear the blue-ink comments and initials of Hoover himself.


84 “Emergence of the Intelligence Establishment,” FRUS, pp. 24-25.

85 Ibid., p. 25.
Historians fail to account for the FBI director’s personal skepticism and discretion in shepherding the SIS to success.

While I do not seek this responsibility for the Federal Bureau of Investigation, I do believe that upon the basis of our experience of the last five years we are well qualified to operate such a [worldwide] service in conjunction with parallel operations of the Military and Naval Intelligence…

Although this last paragraph echoed his indifference of the past, Hoover’s remarks here were clearly disingenuous. By 1945, Hoover knew that he did not just want to maintain control over his SIS operation in Latin America but wanted to expand its activities to the rest of the world. Ever the good bureaucrat, Hoover did not attach himself or his interests to the SIS until he was certain that it could be a contender in the larger intelligence community.

Alas, Hoover’s ambitions in the field of foreign intelligence were to go unfulfilled. His plan was dismissed outright by both Donovan, Hoover’s rival and the author of a separate plan for a postwar intelligence structure, and President Harry Truman. The FBI was passed over in the postwar reshuffling of the intelligence community. The product of this bureaucratic free-for-all was the new and independent Central Intelligence Group (CIG) that came into being by presidential directive on 22 January 1946. The fledgling agency, under the direction of Rear Adm. Sidney Souers, had global jurisdiction and replaced entirely the FBI’s Secret Intelligence Service in Latin America. A transition period ensued, but for all intents and purposes the birth of the CIG marked the death of the SIS—and with it, a role for the FBI in foreign-intelligence activities.

Final Observations

The purpose of this paper has not been to minimize or qualify the contribution made by J. Edgar Hoover in the birth and development of America’s first foreign-intelligence agency. Hoover managed the SIS like he did the rest of the FBI: as a personal and much-valued project. His internal leadership of the organization was generally out-front and outstanding. Even as he was trying to rid himself and the FBI of the SIS, Hoover pursued his foreign-intelligence mission aggressively and constructed a top-notch organization. That he did so with personal reservations should stand not as a criticism but as a tribute to his resolve.

Similarly, this paper is not meant to soften the hard reality of J. Edgar Hoover as a bureaucrat. He was often mean and rarely conciliatory. He protected his interests and covered his liabilities. A substantial part of Hoover’s bureaucratic genius was his insistence on clear lines of responsibility and a realistic conception of what he could effectively manage. Hoover worked hard to avoid taking the SIS helm, but when pressed by the weight of peer and presidential insistence, he was quick and steadfast in demanding hegemony over the SIS’s activities. Hoover did his best to be the master of his own institutional destiny, never taking on more than he could handle and in absolute control of his responsibilities.

Historians of the Special Intelligence Service have been too quick to paint Hoover as an aggressor at the beginning of the 1940s. Consequently, their narratives fail to account for the FBI director’s personal skepticism and discretion in shepherding the SIS to success. Seen in this light, Hoover’s caution—his efforts to preserve the integrity of his SIS mandate and his repeated attempts to divest himself of the organization altogether—appears logical. J. Edgar Hoover may have been famous for his bureaucratic assaults on others, but, as his work with the SIS reveals, his true strength lay in his ability to keep his own institutional position well defended.

---

86 Ibid., pp. 25-26.
87 Ibid.