An Exclusionary Position

General MacArthur and the OSS, 1942-1945

Clayton D. Laurie

"MacArthur did not accept OSS until after his designation as Commander of US Army Forces in the Pacific...and then his approval was limited to certain special weapons with their operators."

A cable sent by Gen. Douglas MacArthur on 22 June 1943 from his Brisbane, Australia, headquarters to the Joint Chiefs of Staff (JCS) in Washington was characteristically blunt: "Any Office of Strategic Services base in Australia would create impossible situation and jeopardize existing harmony. Due to security and to avoid political questions inexpedient to send any organization for participation in the military operations of the Southwest Pacific Area." With this cable, MacArthur again persuaded the nation's top military leadership that the authority and ability of the theater commander to include or exclude any personnel or agency from his area of command responsibility, according to his solitary assessment of proper military needs and requirements, should remain sacrosanct.

But MacArthur's cable also addressed one of the lesser known civil-military conflicts of the war: the role of a paramilitary civilian agency, the OSS, in gathering intelligence and conducting psychological warfare and special operations in support of military campaigns in combat theaters abroad. The successful efforts of MacArthur and his intelligence officers, in particular Maj. Gen. Charles B. Willoughby, Col. Robert F. Merle-Smith, and Col. Courtney Whitney, to exclude the OSS from the Southwest Pacific Theater reveals how the two institutions viewed their respective missions, defined and conducted operations, used personnel and resources, and interacted with national leaders and the bureaucracies they controlled. The incident also reveals much about the personalities of MacArthur and OSS chief William J. Donovan and the colorful subordinates they commanded.

In the decades since 1945, a vast body of literature has described the worldwide exploits of the OSS, often in mythic terms. Yet the War Report of the OSS published in 1975, based on declassified documents at the National Archives, quickly passes over the OSS in the Southwest Pacific, merely stating that "MacArthur did not accept OSS until after his designation as Commander of US Army Forces in the Pacific...and then his approval was limited to certain special weapons with their operators." This passage, while essentially correct, glosses over the fact that the OSS was essentially excluded from this major combat theater in spite of intense efforts on the part of Donovan and his staff to persuade the JCS, the War Department, and the officers of General Headquarters, Southwest Pacific Area, of OSS utility. This story is best told from the OSS viewpoint because the

Clayton D. Laurie is Deputy Chief Historian of the National Reconnaissance Office.

This article is unclassified in its entirety.

1 Memo, MacArthur to JCS, 22 June 1943 in File Chronology April - June 1943, Box 3, Entry Edward Lilly Papers, Record Group 218, Records of the United States Joint Chiefs of Staff, National Archives and Records Administration (hereafter NARA), Washington, DC.
General Headquarters of the Southwest Pacific Area left little record and even fewer explanations as to why it chose to exclude an agency that operated successfully in every other combat theater from mid-1942 onward, and which most likely would have performed successfully in their theater as well.3

A Longstanding Rivalry

The origins of the conflict between MacArthur and the OSS predated America's entry into the war. President Franklin D. Roosevelt named Donovan, a colorful New York City lawyer, federal civil servant, and World War I soldier, Director of the Office of the Coordinator of Information (COI) in July 1941. The COI, a vaguely defined organization and one of many agencies performing similar functions for the government, had as its official purpose the collection of information relating to the national defense buildup as well as a foreign propaganda and counterpropaganda function. From the outset, however, Donovan intended that his organization be much more than a mere information clearinghouse, and he methodically set about creating a multifaceted, centralized psychological warfare and intelligence-gathering agency capable of performing a whole host of military and paramilitary "strategic services" in support of American combat forces abroad, under JCS auspices.

Although Donovan had impressive contacts within Allied circles and within many federal departments who supported and sympathized with his goals, he also had powerful military critics within the War and Navy Departments who viewed his agency as superfluous, and its unorthodox activities as a dangerous intrusion into traditional military affairs. Many others considered Donovan to be a dilettante, if not a troublesome and self-promoting empire builder. Nonetheless, Donovan ensured the survival of the COI (eventually in the form of the OSS), in the months after its formation, despite a growing chorus of those calling for its abolition, and he managed to increase the size and mission of the agency in the aftermath of Pearl Harbor.4

Information and Propaganda Support

The first contact of record between Donovan's organization and MacArthur took place three weeks before Pearl Harbor, when Edgar Ansell Mowrer, a journalist working for the COI, met with the US Army Forces Far East (USAFFRE) commander in Manila to acquaint him with the organization and its areas of expertise. Although already aware of COI's existence, MacArthur was evidently neither impressed nor enthusiastic about its mission, reportedly making clear that "while the COI was still in its infancy... he saw no reason for the creation of a new intelligence service under Donovan." By 28 December 1941, however, MacArthur—besieged on Corregidor and Bataan—was making urgent requests for material from

3 The OSS carried out psychological warfare, special operations, and intelligence-gathering missions in North Africa, in Sicily and Italy; in the Middle East, throughout Central, Southeast, and Western Europe; in Scandinavia; in China, Burma, and India; and throughout Southeast Asia. Except for the Southwest Pacific, the only other theater to largely exclude OSS participation was the US Navy and US Marine Corps-dominated Central Pacific Theater (CENPAC) under Adm. Chester Nimitz.

4 For the history of the COI and the early days of the OSS, see Laune, Propaganda Warriors, especially chapters 4 and 5, and Troy, Donovan and the CIA, chapters 4 and 5. COI records are found in Entry 59, RG 226, NARA, especially boxes 70-72, 80, and 97. Other documents on the COI may be found in the William J. Donovan Papers, US Army Military History Institute, Carlisle Barracks, PA. Boxes 59h, 121a, and 122a, and in RG 208, Records of the Office of War Information, Boxes 1, 4, and 8, Entry 6E, NARA.
the COI Foreign Information Service (FIS) to counteract what he termed the devastating effects of Japanese propaganda on his beleaguered Filipino and American forces. The FIS immediately responded and delivered to the Philippines materials for broadcast over the 12 radio stations still in Filipino-American hands. These shortwave and mediumwave stations broadcast at least eight FIS programs daily, in Tagalog, Japanese, and Mandarin Chinese, until Japanese advances cut the lines of communication. Even then, however, the FIS continued making radiobroadcasts to the Philippines from Batavia in the Netherlands East Indies and from Singapore.5

In addition, in January and then again in March 1942, two newly created JCS supporting committees, the Joint Intelligence Committee (JIC) and the Joint Psychological Warfare Committee (JPWC), noting that MacArthur had set up an improvised radio station to counter Japanese propaganda, emphasized that much more could be done to aid his command. The FIS responded by providing entertainment broadcasts consisting of news and features, sports news, humor, and popular music.

The JIC and the JPWC further offered the assistance of other personnel with expertise in propaganda, espionage, sabotage, and guerrilla warfare—personnel that would have come from Donovan’s COI even though the

"Donovan was on record as having responded to MacArthur’s requests in a timely and complete manner, offering just the services the USAFFE commander claimed he so desperately needed."

organization, and its OSS successor, were always chronically short of personnel. Further, on their own initiative, COI members developed plans to insert agents into the Philippines in early 1942 to form a "staybehind force" around which Filipino and American resistance groups could form after the archipelago fell to the Japanese. Even though no such personnel were sent, either to the Philippines or to Australia, Donovan was on record as having responded to MacArthur’s requests in a timely and complete manner, offering just the services the USAFFE commander claimed he so desperately needed.6

Unwarranted Criticism

Major General Willoughby, MacArthur’s Assistant Chief of Staff for Intelligence (G-2), later claimed, in response to OSS criticisms that “they [the COI/OSS] were arbi-

6 See Roosevelt, War Report of the OSS, 1:39. The FIS broadcasts were eventually ended as they were increasingly thought to be counterproductive. As Donovan later claimed, it was easy to have good propaganda when the news was good. It was hard when the news was bad. See Roosevelt, War Report of the OSS, 1:39; and Memo, Onthanka to Scales, 18 March 42, File: Interehater Relations, Box 6, and File: Chronological, Jan-Mar 45, Box 3, both in: Lilly Papers, RG 218, NARA.


Despite Willoughby’s assertions, the record clearly shows that the COI was organized and operational by late 1941, and had already placed agents in Asia by the time of Pearl Harbor. Had MacArthur availed himself of Donovan’s expertise when it was originally offered, the creation of guerrilla groups in the Philippines and the establishment of an efficient intelligence and psychological warfare network in the Southwest Pacific may have taken place months, if not years, before it actually did in 1943 and 1944.7

Indeed, the FIS in New Caledonia and Australia had established an
Donovan Rebuffed

MacArthur and Donovan crossed paths again soon after the creation of the Southwest Pacific Area command and the founding of the OSS in June 1942. In early July, Donovan submitted his first plan to the JCS and the War Department proposing the establishment of an OSS intelligence network in Australia. The idea was turned down almost immediately by MacArthur and the JCS Joint Intelligence Committee. Endeavoring to make his proposal clearer and more specific, Donovan encouraged US Army Chief of Staff Gen. George C. Marshall again to pass on to MacArthur his offers to provide an Australian-based OSS Secret Intelligence (SI) group to operate in the Netherlands East Indies under Dr. Amy Vandenburg.

Within 48 hours, MacArthur replied that an "interallied secret service [was already] established here on a sound basis from combat to strategic intelligence" under the supervision of General Headquarters. In addition, MacArthur explained, experts on the Netherlands East Indies were already available. If and when further expertise was needed, General Headquarters would request Vandenburg's services. Decrypted, the message read: "Thank you, but no thank you."

Uncertain as to what sort of psychological warfare and intelligence establishment MacArthur was referring to, the War Department's Operations and Plans Division, perhaps at Donovan's urging, queried the general further on 29 July about his need for services. MacArthur again reiterated that Allied organizations and plans were already in place and no further assistance was needed. His rejection of the OSS was supported by the chairman of the JIC, Maj. Gen. George V. Strong, who also served as the Chief of the War Department General Staff's Military Intelligence Division. Strong, an outspoken critic of the OSS and its director, wrote Donovan that Marshall had stated "quite definitely that OSS activities in a theater of operations must come under the control of the theater commander and are subject not only to coordination, but also to utilization solely to serve the needs of the commander in the execution of the mission furnished him by the JCS."

---

* For early efforts to establish a propaganda base in Australia, see Rpt on FELO Activities from Jun 42 to Sep 45, Box 2, Bonner F. Fellers Papers, Hoover Institution on War, Revolution, and Peace, Palo Alto, CA (hereafter HIWP).
The JCS, Strong continued, "have delegated to that theater commander the decision as to what intelligence activities shall exist and how they shall be utilized." Strong closed by stating that "It appears to me that unless and until the JCS have indicated another procedure, the action taken by the JIC in rejecting Donovan's proposal at its last meeting should stand."11

Seeking Alternatives

The initial rejection of a base in Australia under the parameters of the theater commanders' principle prompted OSS personnel in Washington to investigate alternatives in gaining access to the Southwest Pacific theater, perhaps doing an end run around MacArthur if necessary. These efforts would last for more than two years and prompted one group of OSS officers at Washington headquarters to develop a tongue-in-cheek "Penetrate MacArthur Project."

One suggestion involved currying favor with Maj. Gen. Robert C. Richardson, Jr., who, in August 1942, was the Chief of the Army Public Relations Office, but was then allegedly being considered for the post of commander of ground troops in the Southwest Pacific and even as a possible replacement for MacArthur. As one OSS member stated, Richardson "is said to be a very approachable person" and, if MacArthur is relieved, the OSS could realistically enter Australia with Richardson. These efforts came to naught, unfortunately, when Maj. Gen. Robert L. Eichelberger was sent to serve under MacArthur instead of General Richardson.12

At the same time, in August 1942, the OSS began a major, formal effort through the JPWC, which Donovan directed, and its subcommittee to impress on the JCS and the War Department that the General Headquarters in the Southwest Pacific Area lacked the necessary expertise in psychological warfare and special operations, and that MacArthur's staff was totally ignorant of what the OSS was and what it could do. The JPWC report pointed out that General Headquarters lacked "properly qualified officers familiar with...psychological warfare and subversive operations" and could not effectively or vigorously carry out such activities. Furthermore, psychological warfare and intelligence operations transcended the boundaries of any single theater, as the OSS was already demonstrating elsewhere, and these activities in areas surrounding MacArthur's command were bound to affect Southwest Pacific Area operations. Therefore, an OSS base in Australia was necessary. Point by point, the seven-page report outlined the OSS case. In the Southwest Pacific Theater in matters of psychological warfare, intelligence-gathering, and special operations, the OSS was desperately needed, in spite of the theater commander's opinion to the contrary.13

No Help Needed

MacArthur and his staff were quick to rebuff the JPWC report. General Headquarters in the Southwest Pacific, they asserted, already had many combined civilian and military agencies from several nations performing the very tasks the OSS sought. The US Office of War Information, for example, was conducting leaflet and radio operations in conjunction with the Australian-dominated Far Eastern Liaison Organization throughout New Guinea, the Solomon Islands, the Admiralties, and the Netherlands East Indies. A Central Bureau, also under General Headquarters control, was conducting counterintelligence and radio intercept functions to MacArthur's alleged satisfaction.

In addition, another OSS-style organization, the combined and joint Allied Intelligence Bureau (AIB) formed in April 1942, was doing all the rest of the tasks needed, including translation and interpretation of enemy documents, cartographic services, general research and analysis, POW interrogations, and subversive and espionage operations.

---

11 See Letter, Strong to Donovan, 28 Jul 42, File 38, Box 111, Entry 92, RG 226, CCS 385 "SWPA" (6-12-43) "Psychological Warfare in S.W. Pac.," Chronological Apr-Jun. 43, Box 4, and Memo, Blakeney to Strong (thru MIS), 12 Aug. 42, OSS Activities, Box 9, both in Lilly Papers, RG 218, all NARA.

12 See Memo, Lt. Col. Hugh D. Butler to Maj. David Bruce, 5 Aug. 42; and Memo, Bruce to Donovan, 5 Aug. 42, both in File 38, Box 111, Entry 92, RG 226, NARA.

13 Memorandum to JPWC Sub-Committee On Message From General MacArthur, 13 Aug. 42, File: Chronological Apr-Jun. 42, Box 3, Lilly Papers, RG 218, NARA.
The AIB

Apparently an unknown entity to most OSS officials, the AIB did perform missions in Southwest Pacific Area that were similar to those carried out by the OSS worldwide, but it was a diffuse, combined Allied agency, employing military and civilian personnel from at least four nations, most not subject to American or US Army authority. Also unknown to OSS leaders, after mid-1943 MacArthur’s interest in the AIB diminished. In keeping with his preferred style of personal and direct command and control, General Headquarters, Southwest Pacific Area took over most of the intelligence, psychological, and unconventional warfare operations previously performed by AIB. So while AIB was ostensibly “MacArthur’s OSS,” and was referred to as such by several of his subordinates, within 18 months of its formation, the General Headquarters had largely discarded it for similar offices of their own creation.

Yet for the purposes of undercutting and excluding the OSS from the Southwest Pacific Area, the existence of AIB admirably served the purpose, no matter how underused and despised it was by MacArthur and his staff. According to one historian, the general felt “that his authority and ego were best protected by avoiding Washington agencies such as the OSS and by using the special operations machinery that he had developed in cooperation with the Australians and others.” The AIB did not have direct ties to London or Washington, and that was what mattered. Thus MacArthur used the existence of AIB, a bureau whose own multinational and fragmented command structure was not entirely to his liking, to persuade the JCS and the War Department to keep the OSS out.14

Other Approaches

The OSS Planning Group in Washington, the entity which determined future operations, fully understood by mid-1942 “that General MacArthur is reluctant to receive OSS representatives.” But it still believed that his objection was due to some ignorance as to what the OSS actually did. Therefore, the planning group adopted a different tack. In September 1942, it began formulating plans for participation in the Southwest Pacific Area predicated on the idea that if specific mission proposals were submitted to MacArthur, outlining detailed operations by a set number of OSS agents in a particular area, the general “could judge for himself whether they would be valuable or not” and would ultimately agree to allow the office to enter the theater.

In addition, as OSS member Hugh R. Wilson wrote to Donovan’s deputy, Col. G. Edward Buxton, the plans should be drawn “as to offer the men rather than the projects.” This was based on the assumption, as Wilson wrote, “that were I commanding general I might well be interested in men of these qualifications offered for my service even though I was unwilling to admit an organization.” If such a plan worked, Wilson concluded, it “might well give us an opportunity for future and more widespread collaboration.”15

Thus the OSS developed the Pacific Islands Project which provided two operational plans for secret intelli-

---


15 See Memo, Hugh R. Wilson to Col. G. Edward Buxton, 14 Sep 42, File 19, Box 125, Entry 92, RG 226, NARA. Wilson was a former Ambassador to Nazi Germany who joined the COI in 1941, while Buxton, a lawyer and World War I comrade of Donovan, had the distinction of being the commanding officer of AEF hero Sgt. Alvin York, see Laurie, *Propaganda Warriors*, p. 72, 259.
gence and subversive activities in New Guinea, the Solomon Islands, and adjacent islands to include Bali and most of the Netherlands East Indies. Under this plan, three exceptionally well-qualified OSS agents, appropriately named “Rip,” “Alden,” and “Sam,” who were already undergoing training in the United States, would be inserted into the area, where they would collect intelligence and conduct subversive operations “designed to harass the enemy” for the JCS and the Commanding General, United States Forces in the Southwest Pacific Area, at a projected cost of a little more than $17,000. As with similar OSS plans in Asia and Europe, however, the Pacific Islands Project had difficulties gaining JCS approval, and MacArthur rejected it. On 13 January 1943, the OSS cancelled the project, while focusing its hopes and attention on a new and different plan entitled “Proposed Psychological Warfare Undertaking in the Philippine Islands,” which was then already working its way through JCS and War Department channels to MacArthur’s Southwest Pacific headquarters. 16

Even while the Pacific Islands Project remained under consideration, OSS member S. Dillon Ripley had suggested another back-door entry. In a memo to fellow OSS member N. F. Allman, Dillon recounted a luncheon he had with a member of the Netherlands Information Bureau in Washington, DC, in late October 1942. The Dutchman had suggested that some means be undertaken to facilitate closer communications between the Dutch in Australia and the United States, which Dillon saw as both an opportunity to create a close Dutch-OSS affiliation and to infiltrate the General Headquarters of the Southwest Pacific Area with at least one OSS agent. As Dillon wrote, if:

…the OSS could secure cordial relations with the Dutch Economic and Trade Missions…. The further possibility arises that the Dutch might cooperate to the extent of suggesting that an attaché be appointed between the Dutch in Australia and General MacArthur’s headquarters. If a member of the OSS in uniform could be selected for such a job and could be certified as persona grata by the Dutch here, it is difficult to see how the Commander-in-Chief, Southwest Pacific, could fail to approve such an appointment.

Allman suggested that the idea should be followed up, but it appears that this plan came to nothing, even though the OSS was still planning to recruit and train agents for the Netherlands East Indies as late as July 1943, should MacArthur reconsider. 17

The Hayden Ploy

As the OSS Planning Group continued to formulate specific operational plans they hoped would attract MacArthur’s favorable attention, Donovan turned to the personal approach. He reasoned that if paper plans and cables had failed to gain access for the organization to the Southwest Pacific, perhaps one influential OSS member attached to MacArthur’s staff could persuade the general of the office’s utility where all else had failed. A previous envoy to the Southwest Pacific, a Col. Warren Clear, a veteran Army intelligence officer and Japanese specialist sent to investigate the establishment of a COI espionage network, had clearly run “afoul” of MacArthur. As a result, Donovan decided to send Joseph Ralston Hayden, a University of Michigan political science professor and an original member of the COI’s prestigious Board of Analysts, who had known the Southwest Pacific commander personally since the 1930s. Hayden, a Far Eastern specialist, was widely recognized as the world’s foremost expert on Philippine political affairs and had served as vice-governor in Manila and as acting governor during the 1935 Sakdal revolt. He was just completing an OSS assignment to China in December 1942, and Donovan ordered him to MacArthur’s General Headquarters.

Hayden reached Australia on 15 January 1943 and extended to MacArthur Donovan’s greetings, while informing the general, who he later described as cordial and receptive, that Donovan was perfectly willing to have any OSS personnel in the

16 See Far East Section, SA/B, Pacific Islands Project, 10 Sep 42, and Pacific Islands Project, 5 Pt. 2, 10 Sep 42, and Memo, Beale to Allman, 13 Jan 43, all in File 19, Box 125, Entry 92, RG 226, NARA.

17 Memo, Ripley to Allman, 23 Oct. 42, sub: Liaison With the Dutch in the Southwest Pacific, File 59, Box 116, Entry 92, RG 226, NARA. For continuing OSS efforts to recruit and train agents for NEI operations, see Memo to Acting Director, 14 Jul. 43, Report on Trip to West Coast, File 3, Box 67, Entry 92, RG 226, NARA.
MacArthur

Pacific Theater placed under his, MacArthur's, command, explaining that Donovan did not want to intrude. MacArthur rejected out of hand Hayden's overtures, which included several of the latest OSS plans. The general did imply that the OSS could perform a valuable function by acquiring information on the Netherlands East Indies, but only if agents were under MacArthur's direct and complete control. MacArthur then referred Hayden to his intelligence aids for further discussion.

To Hayden's amazement, Major General Willoughby and Colonel Merle-Smith, among others on MacArthur's staff, proved totally uncooperative because they already had established their own networks in the Pacific and wanted no OSS interference in their area. Hayden only learned later that Willoughby in particular already had persuaded MacArthur that the OSS was not needed.

Three weeks later, in early February 1943, Hayden was abruptly informed that MacArthur had changed his mind and that the OSS was not welcome, either in the Philippines or in any other Southwest Pacific operational area. The general, according to his staff officers, did not care to discuss the matter further, although Hayden was invited to stay on as the OSS civil adviser to General Headquarters.16

Another Rejection

Donovan tried anew to break into the Southwest Pacific a few months later, in midsummer 1943, again through the JCS. In early June, he sent forward the OSS "Basic Military Plan for Psychological Warfare in the Southwest Pacific Theater," describing once more to the JCS and the War Department the special and morale operations, and guerrilla and secret intelligence missions he hoped to perform there. It was manifest to planning group members that this was simultaneously a crucial first step and also perhaps a last chance to carve out an official OSS niche within the region. Dr. James Grafton Rogers, the head of the planning group, wrote in his diary: "Today, the Planning Group hacking away at a SW Pacific mission plan we hope to get MacArthur to accept. OSS is still unadmitted to the Pacific and SW Pacific theaters; the former through neglect, the latter because MacArthur is so independent and [MacArthur's] Chief of Staff, Maj. Gen. Richard K. Sutherland wants his own show [sic]." The draft plan called for 62 US Army officers and 273 enlisted men, with some Indonesian native help, all under OSS control, to conduct psychological warfare and special operations as well as intelligence-gathering activities throughout the Southwest Pacific with emphasis on the Netherlands East Indies and Borneo.20

The new OSS plan immediately ran into trouble with the Joint Staff Planners who were sensitive to the fact, as Rogers confided in his diary, that "MacArthur doesn't want us." When MacArthur was informed of the existence of the plan by the Joint Staff Planners, and given the opportunity to review it, he declined. With the strong support of his intelligence officers, including Willoughby and now Col. Courtney Whitney, he repeated his argument that the OSS was not needed in the Southwest Pacific, that Allied agencies performing similar tasks already existed there, and that, when and if OSS services were needed, they would be used, but only for temporary, specific missions.

Donovan persisted, and on 23 June MacArthur again cabled the JCS that "any OSS base in Australia would

---
16 See Thomas Troy, ed., Wartime Washington: The Secret OSS Journal of James Grafton Rogers, 1942-1943 (Frederick, MD: University Publications of America, 1987), p. 69 n. 37; see also Troy, Donovan and the CIA, p. 87, and Lawrence C. Soley, Radio Warfare: OSS and CIA Subversive Propaganda (New York: Praeger, 1989), pp. 167-68. Hayden was a peculiar choice for this mission because he had recently published a book critical of MacArthur's prewar defensive plan for the Philippines. It does appear, however, that the OSS planned to make Hayden its representative to MacArthur's GHQ depending on the outcome of his mission, see Memo, Francis F. Miller to Whitney H. Shepardson, 26 Jun 43, Australia, File 38, Box 111, Entry 92, RG 226, NASA.
19 D. Clayton James, Years of MacArthur, 2:510-11, and Smith, Shadow Warriors, pp. 105-96. Hayden was first attached to the Philippine Regional Section of the AIB, G-2, GHQ/SWPA, and was later transferred to G-1 and G-5, GHQ/SWPA and then the Civil Affairs Section, Headquarters, USAFFE; see Roosevelt, War Report OSS, 2:367.
create impossible situation and jeopardize existing harmony." All psychological warfare, intelligence gathering, and special operations were currently being handled by General Headquarters and "due to security and to avoid political questions," it was "inexpedient to send any organization for participation." The OSS plan was again "routinely shot down" by MacArthur, and, following the now-familiar pattern, the JCS issued its rejection on 8 July. "After careful consideration," the memo to Donovan read, the JCS "feel that the proposals made in the plan are not susceptible of practicable application in the Southwest Pacific Theater." On hearing of this latest rejection, Rogers conceded: "We are shot [out] of MacArthur's theater." 22

A Direct Approach

With the failure of all efforts to date, Donovan decided to visit the Southwest Pacific General Headquarters to present his case in person. MacArthur's invitation was soon forthcoming. The two men had served together in the 42d "Rainbow" Division in World War I, when MacArthur was the division chief of staff and Donovan was a colonel commanding the division's 69th "Fighting Irish" Regiment, one of the American Expeditionary Force's most decorated and bloodied units. Donovan and MacArthur had been the 42d's most colorful and prominent commanders, and both received multiple decorations during the war, including the Distinguished Service Cross from AEF commander Gen. John Joseph "Black Jack" Pershing at a ceremony held on 7 September 1918. Some historians claim that MacArthur resented Donovan's success as a soldier and his military decorations, including the Purple Heart and Medal of Honor (a decoration MacArthur would not receive until 1942); others deny that any animosity existed between the two men.

By most accounts, MacArthur and Donovan had a cordial personal relationship during the interwar years, and Donovan had the deepest regard for MacArthur's brilliance as a military strategist.

With high hopes, Donovan set out to visit MacArthur on 2 April 1944. He was probably correct in believing that only he could get MacArthur's approval in a face-to-face meeting, and he was well received onboard MacArthur's headquarters ship off Hollandia, New Guinea, on his arrival. During frank discussions, MacArthur indicated a willingness to have OSS personnel attached to his staff and to use frogmen from the OSS Maritime Units, but he again refused to allow the service the same autonomy it enjoyed in the European Theater of Operations under Gen. Dwight D. Eisenhower, and he flatly rejected OSS Morale Operations personnel for his Psychological Warfare Branch in Australia. In addition, "MacArthur refused to accept any OSS-trained personnel unless they lost their identity with the agency and were transferred bodily to his command," in effect, all Donovan's personnel were to be placed directly under MacArthur's control rather than remaining under the authority of the OSS director. 23

Although MacArthur's demands were in keeping with military doc-

---

22 See Memo, Donovan to JCS, 12 Jan. 43; Memo, MacArthur to JCS, 22 Jun. 43; and Memo, MacArthur to JCS, 30 Jul. 43, all in File: Chronology Apr.-Jun. 1943, Box 3; and interview, Edward Lilly with Col. J. Woodhall Greene, 16 Oct. 51, File SWPA, Box 13; and Memo to Adm. King for C/S Sig, re: OSS in SWPA, 29 Sep 44, File: PWB/SWPA, Box 9, all in Lilly Papers, RG 218, NARA. The OSS created another similar plan, PG 91/1 on 15 Sep 44, one of many basic plans created by the OSS and GHQ/SWPA; see File: Basic Plan-WD for PWB, Box 3, Fellers Papers, HIWP; and Chronology Jul.-Dec. 1945, 30 and Japan, Box 6, in Lilly Papers, NARA. See also, Smith, Shadow Warriors, pp. 254-55. For Rogers quote see Wartime Washington, p. 121, entry for Saturday 17 Jul. 43, 18:05.

23 Dunlop, Donovan, pp. 79, 95, and 99; Ford, Donovan of OSS, pp. 46, 52. Donovan's 69th New York National Guard Regiment was redesignated the 165th Infantry after being called into federal service, but its members continued to refer to it as the 69th.

24 See Cave Brown, Wild Bill Donovan, pp. 515-17; Ford, Donovan of OSS, pp. 252-53, 253n; and Smith, Shadow Warriors, pp. 310-11.
trine and the theater commander principle, they were absolutely contrary to the way the OSS did business elsewhere. In each and every other theater of war, the OSS operated with the theater commander's approval. MacArthur's insistence on total personal control in theater was unique in World War II: only US Army units controlled by the General Headquarters of the Southwest Pacific Area were ultimately allowed to conduct intelligence, propaganda, or special operations after late 1943, particularly in the Philippines and beyond.

MacArthur's requirements were unacceptable to Donovan and the top OSS leadership because any personnel sent to MacArthur's theater would cease to be part of the integrated worldwide OSS effort against the Axis. The OSS would, in effect, become mere suppliers of highly trained and specialized personnel to the military and not the comprehensive psychological warfare and centralized intelligence agency as Donovan intended. MacArthur's offer was turned down, and the OSS remained outside the Southwest Pacific. 35

Stymied by Subordinates

Yet, as several observers have speculated, the exclusion of the OSS was probably not owed to any particular animosity toward the organization by MacArthur, but in all probability resulted from the negative attitudes toward Donovan, the OSS, and civilians in general held by MacArthur's subordinates who acted in his name and, as the OSS leadership alleged, perhaps without his knowledge. Donovan was convinced of this, and he believed the lack of acceptance was not because his old commander and cofounder of the American Legion had anything against Donovan personally, but because MacArthur's chief of staff, Richard K. Sutherland, and especially MacArthur's intelligence staff led by Charles Willoughby and Robert Merle-Smith, believed there was nothing that the OSS could do in the Pacific that their own organizations could not do as well or even better.

MacArthur followed the most minute happenings at General Headquarters, and was supposedly well aware what his subordinates were doing, but Donovan was convinced the stonewalling arose elsewhere, not in the commander-in-chief's office. After all, each time Donovan had sent personal emissaries to MacArthur during the past two years, both Clear and Hayden, the general had appeared amenable to OSS participation in the theater. When MacArthur's intelligence personnel were consulted, however, negotiations always collapsed in a welter of prevarication. According to one author, Willoughby and Merle-Smith did not want the OSS in their theater, where they wielded absolute authority over all intelligence, counterintelligence, subversion, propaganda, and guerrilla operations. Yet, while Sutherland, Willoughby, and Merle-Smith often did the general's dirty work, MacArthur orchestrated all decisionmaking and surely knew full well what his subordinates were doing in regards to the OSS. Thus, in much the same manner that the AIB was edged out of General Headquarters deliberations and operations after 1943, so was the OSS. 36

35 See Cable #45924, OSS to USTRANSCOM, London, 26 May 44; and Cable #45844, OSS to USTRANSCOM, 29 May 44, both in File 1369, Box 219, Entry 134, RG 226, NARA.
36 Cave Brown, Wild Bill Donovan, p. 517; Ford, Donovan of OSS, pp. 252-53; Soley, Radio Warfare, pp. 157-58. Other Allied intelligence and psychological warfare agencies, such as Britain's SOE and PWE, were also excluded from SWPA. After MacArthur's return to the Philippines in 1944, the AIB was also relegated to a position of secondary importance. The power and ability of MacArthur's staff to exclude groups extended beyond the OSS, and included new offices in MacArthur's own GHQ. General Sutherland successfully prevented the establishment of a psychological warfare branch at GHQ/SWPA until the summer of 1944, even though MacArthur approved of the use of combat propaganda and the PWB's proposed leader, Brig. Gen. Bonner Fellers, a former OSS member; see Memo, Fellers to DCOFS, 4 Jun. 44. Establishment of PWB, Annex 1, Rot, Fellers to MacArthur, Psychological Warfare Against Japan, Ref Copy, RG 331, Records of Allied Operational and Occupational Headquarters, NARA; and Intvr, Lilly with Fellers, 26 Aug. 46, Japan, Box 6, Lilly Papers, RG 218, NARA.
A Clash of Egos

Donovan biographer Corey Ford maintained that OSS members had many of their own private theories, which included speculation that Willoughby, anxious to ensure full credit for his intelligence unit, feared that Donovan would grab the spotlight. Others held that MacArthur, a West Pointer and firm believer in the chain of command, objected to the presence of a uniformed civilian acting independently in his theater, especially a civilian with so many close ties to powerful persons in Washington.

A few intimates, such as OSS Morale Operations Branch Chief K. D. Mann, who knew Donovan's own determination, suspected the inevitable huge clash between two strong personalities, equally fixed in purpose, as the reason for the continued exclusion. Neither Donovan nor MacArthur could live with the knowledge that someone could do their respective jobs, or any portion thereof, equally as well as they themselves did. The ever outspoken James Grafton Rogers of the OSS Planning Group simply concluded that "MacArthur is too vain and political." After speaking with Joseph R. Hayden, Rogers came to share his view that "MacArthur distrusts OSS as uncontrollable like British SIS [the Secret Intelligence Service] or OWI [the US Office of War Information]."

During Donovan's April visit, MacArthur did indicate a possible need for further OSS Special Operations personnel for use in the Philippine Islands.

Rays of Hope

In 1944, several glimmers of hope remained. During Donovan's April visit, MacArthur did indicate a possible need for further OSS Special Operations personnel for use in the Philippine Islands. The possibilities were discussed with Cdr. Charles A. Parsons, USN, who had commanded guerrilla groups in the Philippines since 1942 and who had MacArthur's complete confidence and authority to recruit anyone needed to help carry out his work, even OSS men, if necessary. Parsons was prepared to take OSS people under his command, but preferred sailors as opposed to soldiers or civilians. During a follow-up meeting at OSS headquarters in Washington, it was proposed that Parsons be offered 13 men from OSS for guerrilla work. All 13 were evidently provided, without fanfare or public announcement, at the end of 1944. Where they fit in terms of command and control within OSS and General Headquarters, as well as what they may have accomplished, remains unknown.

The acceptance of a few men from the Special Operations Branch gave rise to new hope that plans for OSS clandestine radio stations operated by the Morale Operations Branch would also gain quiet acceptance if they did not interfere with theater communications and kept a generally low profile. The Five Star Plan was the first of several schemes which proposed making shortwave broadcasts to the Philippine Islands and enemy forces throughout the Southwest Pacific from mobile transmitters located in New Guinea. As American forces moved, so would the transmitters, keeping the enemy under a constant propaganda barrage. Developed by OSS member Gordon Auchincloss, the Five Star Plan and a similar program, the Agana Plan, calling for shortwave propaganda transmitters on Guam, likewise failed to gain the approval of the Southwest Pacific Theater command.

Welcome Analytic Support

As the Pacific War neared an end, the last hope for the OSS lay in the person of Joseph R. Hayden, who was still serving in MacArthur's General Headquarters as an adviser. Hayden now sought to capitalize on the fact that GHQ lacked specific information on the soon to be invaded Philippine Islands, in particular details on potential landing beaches, local food supplies, and transportation routes and facilities, as well as other aspects of the Philippine political and economic infrastructure. This information could be readily provided by the

---

27 See Ford, Donovan Of OSS, pp. 253-54; and Intr., Lilly with K. D. Mann, 6 Jul. 53, Black, Box 2, Lilly Papers, RG 218, NARA; and Rogers's quotes in Wartime Washington, p. 74 and p. 69, entries for 27 Mar 43 and 16 Mar 43, respectively.

28 See Rpt, Lt. John W. Auchincloss, Meeting on Proposed OSS Activities in the Philippines, 6 Dec. 44, File 1, Box 28, Entry 1, RG 225, NARA.

The fact that no significant OSS unit participated in Southwest Pacific campaigns had a negative impact on the organization’s image in 1945, especially during budget hearings before Congress.

As Dr. Langer recounted the episode, he first “thought the ice was finally broken,” and that perhaps Willoughby’s visit indicated a willingness of MacArthur to accept OSS personnel after nearly two years. But Willoughby soon made plain that the OSS “must give them up completely and MacArthur would take them over.” As before, General Donovan declined the offer. Although some tenuous connections were maintained between MacArthur’s staff and the R&A Branch scholars throughout 1944 and into 1945, largely through the efforts of Hayden, no further OSS inroads were made.10

Giving Up

General Donovan’s 1944 visit ended attempts within the OSS to get units assigned to the Southwest Pacific Area. Although a few intelligence missions were carried out in Java and Sumatra in the Netherlands East Indies on the fringe of MacArthur’s advance in 1944, these were administered from Lord Mountbatten’s British-dominated Southeast Asia Command. An OSS Morale Operations unit was allowed to operate from Saipan in the Marianas, however, gaining direct approval for their activities from both MacArthur and Central Pacific Theater commander Adm. Chester Nimitz in March 1945. This OSS unit began operations the following month, but it was a small effort, basically entering the Pacific too late and only on the coattails of the much larger Overseas Branch of the OWI. In the spring and summer of 1945, the OSS did receive MacArthur’s permission to transfer its WAVAMAN Operation, involving the use of remote-controlled boats for attacks on enemy harbor installations, to the Southwest Pacific, but the war ended before the project became operational. For the remainder of the war, except for a single OSS member attached to Tenth Army headquarters to assist with planning for future US Army operations against Japan, the OSS for all intents and purposes was excluded from MacArthur’s commands in both thought and deed.31

Perhaps the ultimate blow to OSS prestige came in early May 1945, when a psychological warfare conference was held in Manila to create a “Basic Military Plan for Psychological Warfare Against Japan.” Although military and civilian representatives were present from the China Theater; the India-Burma Theater; from OWI’s San Francisco, Honolulu, Southwest Pacific Area, China, and India-Burma offices; from the US Seventh Fleet, the Seventh Amphibious Forces; the US Sixth, Eighth, and Tenth Armies; and the Psychological Warfare Branch of the General Headquarters, Southwest Pacific Area; no OSS members were invited and no mention of that organization was made in the 50-plus pages of the

10 Ford, Donован of OSS, p. 253. Some of the most useful reports were the “OSS Digests of World Transportation.” These were factual descriptions of various geographical locations, or area studies as they came to be known, that were done for many areas of the Pacific, Asia, Europe, and the Near East. Surviving examples may be found in Box 1, Entry: 192, RG 226, NARA. One particular OSS report, #1752, entitled “The Government of the New Philippines: A Study of the Present Puppet Government in the Philippines,” published in a revised edition on 15 May 1944, was of particular interest to MacArthur and his staff who learned that many of the most prominent Filipino families, many with close prewar associations with MacArthur and members of his staff, had openly collaborated with the Japanese occupation government and fully embraced the Japanese-sponsored Greater East Asia Co-Prospereity Sphere; see Folio: OSS R&A Rpt #1752, Box: 34, Entry: 281, RG 331, NARA. GHQ had its own equivalent of the OSS R&A Branch after July 1944 in the Collation Section, Psychological Warfare Branch/ SWPA, under Brig. Gen. Bonner Fellers.

31 For small OSS inroads following mid-1944, see Roosevelt, War Report of the OSS, 1:220, 2366-67; and Smith, Shadow Warriors, p. 312. For the Saipan MO operation, see Soley, Radio Warfare, pp. 194-99.
The growing public impression, many in the OSS feared, was that the secretive agency was a frivolous waste of time, scarce war resources, and taxpayer dollars.

denounced in Congress as a scheme to create an American Gestapo. Others chimed in during the spring of 1945, alleging that the OSS supported liberal causes and had close ties to Communists at home and abroad. Still others repeated the claim that "OSS" really stood for "Oh So Secret" or "Oh So Social," with Austin Cassini, also of The Washington Times-Herald, observing that the OSS contained the blue-bloods of society, "ex-polo players, millionairies, Russian princes, society gambol boys, scientists, and dilettante detectives" and "the prettiest, best-born, snappiest girls who used to graduate from debutantdom to boredom." The growing public impression, many in the OSS feared, was that the secretive agency was a frivolous waste of time, scarce war resources, and taxpayer dollars.

The articles by Trohan were soon followed by more bad news for the OSS when Rep. Paul W. Shafer publicly alleged that MacArthur and Nimitz owed their victories in the Pacific "in no small measure" to their decisions "to keep OSS from cluttering up the area with misinformation and well-meaning but ineffective propaganda." War, Shafer had learned, was the business of fighting men, not of economists, psychologists, historians, and other joy-riders in the OSS, OWI, and like organizations. Such comments produced the inevitable inquiries by the JCS to MacArthur seeking his estimate of Donovan’s organization. The general’s reply, much to the joy of OSS haters, was that he knew "little of its methods," had "no control of its agencies" and, consequently, had "no plans for its future employment."

The Autonomy Issue

The exclusion of the OSS from the Southwest Pacific raises many issues. In barring OSS participation, MacArthur exercised the theater commanders’ principle as was his right to do. Renowned for strict control of the personnel and agencies under his command, MacArthur could not tolerate a civilian agency within his theater that answered directly to Washington and the JCS rather than to him. The OSS would be an agency whose activities, and perhaps even worse, whose correspondence and contacts at the top Washington headquarters, MacArthur could not oversee, or have knowledge of, or control.

31 Troy, Donovan and the CIA, p. 280; "MacArthur Bars OSS Propaganda," Washington Times-Herald, 16 May 45; and Strategic Office’s Aid also Turned Down by Nimitz, Washington Times-Herald, 29 May 45; and Laurie, Propaganda Warriors, p. 131.

32 Shafer quoted in Troy, Donovan and the CIA, p. 281; MacArthur quoted in Smith, Shadow Warriors, pp. 310-11. Chester Nimitz was of similar opinion and once referred to the OSS as a "superfluous impracticality" for which he had no use.

A Bad Press

The fact that no significant OSS unit participated in Southwest Pacific campaigns had a negative impact on the organization’s image in 1945, especially during budget hearings before Congress. As historian Thomas Troy recounted in Donovan and the CIA, on 16 May 1945 Walter Trohan, a reporter for the McCormick-Patterson press, wrote a headline story appearing in The Washington Times-Herald entitled "MacArthur Bars OSS Propaganda," which stated that MacArthur, to his alleged credit, had reportedly refused Donovan’s offer of a large corps of what Trohan characterized as "propagandists and information sifters" in the Southwest Pacific.

Trohan went on to describe the OSS as the most mysterious agency in the federal government whose members comprised the "the glamour set" and who took "oaths of secrecy as awesome as [those in] a fraternity initiation." Trohan further advised his readers that Donovan had earlier been rejected when his plan to "take over all foreign intelligence" was publicized and "widely

33 For the Manila Conference, see "Basic Military Plan for Psychological Warfare Against Japan with Appendices and Minutes of the Conference on Psychological Warfare Against Japan, Manila, 7-8 May 1945," Psychological Warfare Pacific, Box 329, Envy 172, RG 165, NARA.
The Southwest Pacific commander also could not have been oblivious to the high degree of autonomy the OSS enjoyed elsewhere, virtually in every other theater where its members were deployed. If the OSS were to exercise this characteristic autonomy in the Southwest Pacific Area, it could supposedly interfere with, or seriously jeopardize, the proper exercise of command and control of the military forces that were MacArthur's first and foremost responsibility.

**A Conventional Outlook**

A career military officer, MacArthur was undoubtedly most comfortable when dealing just with military organizations and personnel, from the lowest units under his command to military leaders in the War Department and JCS. The wartime OSS was an unknown entity, with ideological, operational, and institutional views very much different from those practiced to by conventional soldiers in traditional military institutions and units. Then again, perhaps it was the very unconventional nature of OSS operations that prompted MacArthur and his staff to lobby so vehemently to keep the OSS away at a far and, in their opinion, safe distance.

Having risen through the ranks in a conventional military world, MacArthur and members of his staff practiced conventional warfare. Intelligence and special operations were useful at the tactical level, and any “strategic services,” by nature emphasizing the grand, overall picture and unorthodox practices, were of less utility to soldiers in the foxhole than the knowledge of what or who was facing him directly across the front line. MacArthur and Willoughby emphasized conventional means of gathering intelligence that was immediately useful to the soldier, to include POW interrogation, captured enemy documents, and radio intercepts. Perhaps this last explanation could be most instructive as to why the OSS was excluded—it was simply seen as superfluous in a command that already gathered in the G-2 section commanded by Willoughby, Merle-Smith, and Whitney, all that it needed in the way of tactical and strategic intelligence.

Finally, one cannot dismiss the fact that MacArthur, as his critics often alleged, entertained no rivals for attention, much less command, especially one as flamboyant and well-connected as Donovan, who led a glamorous and romantic secret agency in an ugly and unromantic war. Such an agency at his elbow could detract enormously from MacArthur’s own accomplishments. In the final analysis, the OSS did not make significant contributions to any major campaign against the Japanese in the Southwest Pacific Area, leaving the gaping hole in the history of an otherwise colorful and useful agency.