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To be a politician is but to feign ignorance of what you know well, pretend knowledge of what you are totally ignorant, decline to listen to what you hear, attempt what is beyond your capacity, hide what ought to be exposed, appear profound when you are dull-witted, and to justify ignoble means by claiming admirable ends. Pierre Augustin Caron de Beaumarchais, Marriage of Figaro (1778)

CIA AND THE CONGRESS

John M. Maury

Beaumarchais' appraisal of politicians is widely shared these days, and perhaps nowhere more than among members of Executive Agencies who have come to look upon Congressmen and their endless investigations and criticisms as irreconcilable enemies of the bureaucratic establishment. In the case of agencies involved in sensitive questions of national security, the problem is intensified by concern among the bureaucrats that Congress will, perhaps inadvertently, lack proper discretion in the handling of highly classified material to which it demands access. On the other hand, the Congress instinctively suspects that whenever an Executive Agency pleads national security as an excuse for withholding information, the purpose is merely to cover up mischief or inefficiency.

In the case of an agency involved in foreign intelligence, the problem is further complicated by traditional American squeamishness about the morality of spying in peacetime—reading other people's mail, or subverting other people's loyalties. And sometimes our own poor judgment or clumsy tradecraft have contributed to Congressional suspicions that many of our activities are counterproductive or create unnecessary irritants in the nation's foreign relations.

Our problem then is whether an organization like CIA can operate in American society without being so open as to be professionally ineffective, or so secret as to be politically unacceptable.

In the early days of the Agency this problem rarely arose. The Agency was created at a time when the nation was haunted by the disastrous lack of warning of the Pearl Harbor attack, when we were becoming dimly aware of the nature and scope of the post-war Soviet threat and implications of the Cold War, and when, for the first time in our history, we found ourselves with no staunch and strong ally standing between us and a possible major adversary. All of this, coupled with our worldwide security commitments—military, economic, and political—made it obvious that if we were to bear our newly acquired responsibilities in the world and defend our national interests, we would need a far more sophisticated set of eyes and ears abroad than anything we had enjoyed in the past.

In the view of the general public, and of the Congress which in the main reflected the public attitude, a national intelligence service in those days was

more or less a part and parcel of our overall defense establishment. Therefore, as our defense budget went sailing through Congress under the impact of the extension of Soviet power into Eastern Europe, Soviet probes into Iran and Greece, the Berlin blockade, and eventually the Korean War, the relatively modest CIA budget in effect got a free ride, buried as it was in the Defense and other budgets. When Directors appeared before the Congress, which they did only rarely, the main concern of the members was often to make sure we had what we needed to do our job.

All of this now seems long ago. In recent years the intelligence community, and particularly CIA, have, along with the Defense and State Departments, borne the brunt of Congressional suspicion and frustration resulting from unpopular and burdensome foreign involvements. In the old days we lived in a black and white world. We knew we were the good guys, and we knew who the bad guys were. And it was widely recognized that we needed a good intelligence service to take care of ourselves. It was also widely assumed that, in addition to intelligence, we needed a covert arm to fight Communist subversion and give the Communists some of their own medicine in the area of political and psychological warfare. In the early Fifties there was much talk about how something called the "international Communist conspiracy" had been the main instrument for spreading Soviet influence throughout Eastern Europe and paving the way for Communist takeovers in other parts of the world. Accordingly, it was suggested by eminent Washington statesmen that we should fight fire with fire and develop a subversive capability of our own which would roll back the Iron Curtain to pre-war Soviet frontiers, and perhaps stimulate nationalist uprisings among the peoples of the Baltic States, Byelorussia, and the Ukraine. The late Chip Bohlen has noted the fallacy in this thesis by pointing out that the Kremlin has not gained effective control of a foot of territory since 1917 without the use of threat of superior force, and that covert action, while a useful supplement to overt military and diplomatic measures, can never be a substitute for them. In the early days of the Agency, however, a general failure to appreciate this point led to a certain amount of excessive and romantic zeal, and a corresponding amount of concern and suspicion among those who feared that ill-considered political action ventures might get out of hand.

More recently the pendulum has swung the other way. We no longer see the world as black and white, but in numerous shades of gray. It is no longer clear that we are good guys or that any others in particular are especially bad guys. We have learned that neither military might, economic aid, earnest diplomacy, nor political or psychological gimmicks can make the world behave as we would like it to behave. In the resulting popular disillusionment, scapegoats must be found. Americans have been brought up to believe that they are not supposed to suffer setbacks, and if they do there must be a scoundrel amongst them, or perhaps several scoundrels. In Joe McCarthy's day, the chief scoundrels included General Marshall, a few hapless Foreign Service officers, and an Army dentist. More recently, the scoundrels have been the people that got us into the "illegal" war in Indochina, or who have somehow been vaguely associated with one or another aspect of the Watergate affair. But whatever the immediate popular frustration may be, whether directed at the generals in the Pentagon, or the diplomats in the State Department, or the architects of the Watergate in the administration, chances are someone will find a way to implicate CIA. We are an easy target,

first, because nearly everyone is prepared to believe wild stories about "spy agencies"; second, because the media can't tolerate an organization that refuses to share with them all of its secrets; and, third, because we cannot refute the allegations against us without revealing sensitive details about our organization, our activities, and especially our "sources and methods" which the Director is enjoined by law to protect.

Therefore, the Agency still operates under something of a cloud of suspicion. Unless we can publicly prove our innocence of the charges leveled against us, doubts persist. But it now is clear that we are here to stay. We are no longer viewed by the public and politicians as an intriguing Cold War innovation which would soon go the way of other committees, boards, administrative organizations, and so forth, that temporarily prospered in times of crises, but eventually were gobbled up or pushed aside by the entrenched bureaucracies of the old-line departments. In the past several years, CIA has indeed acquired a clear identity on the national scene. For better or worse, we are in the news almost daily. In the public eye we are no longer obscure, and indeed hardly mysterious, although we do apparently remain somewhat sinister. But in any event we are very much a part of the national establishment and, as such, we must sink or swim in the same political currents as the other elements of the Executive Branch.

I see no reason why we should shrink from this prospect. Both Dick Helms and Bill Colby have made the point before Congressional committees that we are in every sense a part of the American scene, and as such must be guided by American traditions, mores, and morals. And in spite of the doubts and suspicions about some of our real or alleged activities which have been voiced on the Hill, the fact is that to date we have fared quite well at the hands of the Congress. Indeed, it is difficult to recall a case in which the Congress has passed legislation seriously opposed by the Agency, or failed to pass legislation which the Agency judged necessary for its effective discharge of responsibilities. The reason, I think, is that all of our Directors have subscribed to the view that the Congress was entitled to know as much about the Agency and its activities as it thought necessary to carry out its responsibilities. The extent of the information which Congress felt it needed, and the procedures through which it has obtained this information, have varied over the years with changing world conditions and domestic political attitudes. But I know of no case where a Director has attempted to mislead or withhold information from a Congressional committee on any matter within the Agency's competence and within the committee's jurisdiction.

In talking to various Agency groups about our Congressional relations in recent years, I have found that even many old hands are startled, and often disturbed, to learn of the extent of our current involvements with the Congress. Few seem to know that over the past several years we've received an average of over a thousand written communications annually from individual members or committees. Perhaps half of these are routine letters endorsing an applicant for employment. Probably the bulk of the remainder are also more or less routine, involving letters from constituents inquiring about why Congress does not exercise tighter oversight over the Agency, why our budget cannot be made public, whether some of the press stories about assassination and derring-do are accurate, and so forth. But a week rarely passes that we don't have a couple of real lulus—perhaps a request from the Foreign Relations Committee for copies of certain

National Estimates; a demand for a detailed reply to allegations by Jack Anderson implying Agency involvement in the narcotics traffic; queries about whether some Foreign Service officer mentioned in the press was actually an Agency employee; questionnaires covering any and all relations we might have with various universities and educational institutions or foundations; and sometimes rather moving appeals for Agency assistance in locating missing persons who may have fallen victim to foul play abroad, or interceding with local authorities to arrange the release of American citizens incarcerated for one or another offense in foreign countries.

Many requests from individual members of the Congress are quite straightforward intelligence requests—they simply want to be brought up to date on a problem in which the Agency has some competence. It may concern the political situation in a certain foreign country, or how certain Soviet weapons performed during the recent Mid-East fighting, or the prospects for the spring wheat crop in Eastern Europe. Their questions may arise as a result of something that's come up before their respective committees, or it may be connected with a forthcoming trip which they are planning to make to certain foreign areas. On the average, Agency officers give perhaps a hundred individual briefings a year in response to such specific requests.

Our most important business on the Hill, however, is conducted with the several committees. In recent years the Director or Deputy Director has averaged some 30 to 35 committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees—of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director is being called on to give world round-up intelligence briefings to the full Armed Services Committees of each House and to the Defense Subcommittees of the Appropriations Committees of each House, all of which are considerably larger than the Intelligence Subcommittee alone.

The Agency also makes several appearances each year before other committees, such as Foreign Relations in the Senate, Foreign Affairs in the House, and the Joint Committee on Atomic Energy. In the case of Foreign Relations and Foreign Affairs, there are usually a couple of general world round-up briefings each year before the full Committee and, in addition, there are often more specialized briefings, sometimes for only subcommittees. For example, in the Senate Foreign Relations Committee, Senator Muskie might request a special briefing on Soviet weapons developments for his subcommittee on arms control, or in the House, Representative Fascell may want a briefing on developments in Latin America for his Subcommittee on Inter-American Affairs.

In addition to committee briefings, the Agency is frequently called upon to brief individual members on various intelligence and related subjects. During calendar year 1973, for example, we responded to 175 such requests.

Now a few words about the ground rules for dealing with these committees, subcommittees, and individuals. For some years, and in fact ever since we became involved in routine Congressional briefings of the kind I've described, it has been Agency policy to respond to the request of any Congressional committee on any matter within the Agency's competence and within the committee's jurisdiction. So far as the Agency's Subcommittees of the Appropriations and

Armed Services Committees of the two Houses are concerned, no holds are barred. These small subcommittees are generally made up of the senior members of the full committees and have free access to any information they wish, not only of an intelligence nature, but about the inner workings of the Agency, including specific operations, budgets, personnel strength and so forth. Also, one or two key staff members of these subcommittees have all of the clearances necessary for similar access. The members themselves are not formally cleared, their access to various categories of classified information being based on their membership on the committee rather than formal clearance procedures by the Executive Branch.

Thus there are no problems with regard to what material to provide to our Oversight Subcommittees. The problems arise in dealing with other committees, especially where things that we consider internal Agency matters impinge on problems which the committees feel legitimately concern them. For example, the Foreign Relations Committee, in its overview of the State Department and the Foreign Service, may feel that it should know what embassy slots abroad are occupied by Agency officers. The Inter-American Affairs Subcommittee of the House Foreign Affairs Committee may call for an Agency explanation of allegations of Agency involvement with certain multi-national corporations. Or Senator Fulbright may want to know whether the Agency has contact with Soviet emigré groups to an extent that might jeopardize détente.

Where operational details are involved—especially those relating to sensitive sources and methods—the Agency has followed guidelines laid down by the Chairmen of our Oversight Subcommittees, and generally no exceptions are made to the strict rule against passing operational information except with the approval of the Chairmen of these Subcommittees. However, like everything else in the real world of politics in a democratic society, there are no absolutes. Rules are usually flexible, and where disagreements occur, compromise is always considered preferable to confrontation. Thus, should a particular Senator express special concern over an allegation that a diplomatic incident in some foreign capital was the result of the misfire of an Agency operation, it is entirely possible that the Chairman of one of our Oversight Subcommittees might call him aside and, relying on his honor as a Senator to be discreet, explain to him the facts. Or the Subcommittee Chairman might arrange, on the basis of his colleague's assurances to respect confidences, for an Agency officer to brief him in full detail on the matter in question. There have, of course, been cases where such confidences have been broken, probably more often by inadvertence than design, but perhaps this is not too high a price to pay to avoid the kind of confrontation that would help nobody, and least of all the Agency. For, as the late Senator Russell once cautioned an Agency official, "There isn't a single member of this Senate that's so lowly that he can't make life unbearable for you fellows if he decides he wants to do it."

There are, of course, occasions when activities which start out as strictly clandestine operations end up as subjects of legitimate concern to other than members of the Intelligence Oversight Subcommittees. For example, when covert Agency assistance to the Meo tribes in Laos was first initiated, it appeared both necessary and feasible to maintain a posture of plausible denial. But, as often happens, what started out as a strictly covert program had more and more requirements heaped upon it by higher authority. As more and more people became involved, the U.S. media and other curious bystanders became more and

more interested in what was going on, and gradually uncovered virtually the whole story. In these circumstances it would have been quite unrealistic for the Agency to insist that this was only a normal clandestine operation of no concern to the Senate Foreign Relations Committee.

In fact, the Foreign Relations Committee's interest was recognized at an early stage, and Committee members were briefed on the operation as early as 1962. During the ensuing years, the Foreign Relations and Armed Services Committees of the Senate were briefed on the matter on a total of 28 occasions, and some 57 members were, at one time or another, informed of what the Agency was doing in Laos. This didn't entirely solve the problem, however, because all of these briefings were in Executive Session, and what the members really wanted was something they could use in public debate about the "endless escalation of the illegal war in Indo-China." As the story of the Agency role in Laos gradually seeped out through the media, some members developed the line that they had never known anything about it, and if they had, they would have put a stop to it long ago. This was for public consumption, however, and some of these same members privately congratulated the Agency for having done such an effective job in helping the Meo tribes to tie down such a large number of Communist troops on a budget that, in terms of the costs of the overall U.S. involvement in Southeast Asia, was infinitesimal.

Our most serious problems with Congress generally revolve around major action programs such as the Laos operation. There is a widely held feeling, shared not only by members of the Foreign Relations and Foreign Affairs Committees, but also by our friends on the Agency Oversight Committees, that such operations should not properly be the responsibility of a covert intelligence organization. The charge has been in recent years that the Agency's special legal authorities and clandestine capabilities have been misused by one after another administration to circumvent the will of Congress, and that such operations have often done more harm than good in serving the national interests.

This Congressional concern about covert political action and paramilitary operations is not limited to programs of a strategic nature such as the one in Laos. Even relatively minor covert action efforts are viewed with suspicion—for example, the training of foreign police or security services has raised questions about whether we can guarantee that the recipients of such assistance will scrupulously observe due process of law, American-style. And there is a particular Congressional sensitivity to any sort of effort to influence the outcome of foreign elections—even in situations where there is a real and imminent threat that manipulation by Communist nations may lead to a Communist take-over. Meddling with the media—even in unfriendly countries—also creates Congressional uneasiness.

It's hard to generalize about the basis for this persistent Congressional sensitivity. Perhaps it springs in part from a gut feeling that any attempt to influence the course of events abroad should be under close and continuing Congressional scrutiny, and that the President and his immediate staff should not have at their disposal politically potent instruments which they can use without Congressional knowledge and approval, and the misuse of which might produce serious consequences or embarrass the national image.

This Congressional concern about the morality of covert action, and about whether it is compatible with our professed desire to maintain friendly relations abroad, is shared generally by the more liberal members of Congress. They are quick to suspect, for example, that any Agency contact with private American corporations operating abroad, or any Agency assistance to foreign police or security forces is a reflection of imperialistic purpose. The basic attitude among the liberal membership seems to be that any legitimate interest the U.S. has abroad can best be served by the State Department or other overt agencies, and that any resort to clandestine means is proof of sinister purposes.

The more conservative members, on the other hand, usually have no quarrel in principle with covert action, recognizing that chiefs of state even in the most democratic countries have for centuries felt the need of a covert capability of some kind in the conduct of their foreign relations. But many of these more conservative members, and particularly those on the Agency Oversight Subcommittees, often question whether covert action should be the responsibility of an agency whose primary purpose, in their view, is the collection and analysis of intelligence. Several of these members have, in subcommittee hearings, expressed a strong view that Agency involvement in such activities as the war in Laos, the Cuban invasion, the National Students' Association, or Radio Liberty and Radio Free Europe are far too unwieldy and inherently insecure to be properly made the responsibility of an organization which depends for its effectiveness on its secrecy and anonymity. These members feel that the Agency was created primarily to provide reliable national intelligence for the guidance of our policymakers in dealing with critical problems of foreign policy and national security. And they feel that the undertaking of additional burdens in the covert action field diverts us from this objective and erodes and corrupts the discipline and commitment which the successful accomplishment of our intelligence mission requires.

Various arguments have been advanced on the Hill in support of legislation to restrict our covert action authority or to require that Congress be kept more fully informed regarding covert action programs. Along with these have been proposals that the Agency's budget be made public. Such proposals vary in the extent to which they would require a detailed breakdown of the budget, but doubtless one purpose is to give to the Congress as a whole some sort of a handle on the funding of the more ambitious and expensive political and paramilitary programs. In addition there have been legislative proposals restricting, or making us more fully accountable to the Congress for, programs supporting foreign police and security forces, and any Agency association with American commercial enterprises operating overseas.

Another area of Congressional concern, which has reached acute proportions within the past year or so, involves Agency domestic activities. This all started as a tempest in a teapot when a certain political figure discovered that the Agency had provided some quite innocuous briefings to a metropolitan police force in a large American city. From the press accounts that emerged from this discovery, one would assume that the Agency was training local police forces in the more sophisticated techniques of brutality, torture, and terror. In fact, all we were doing was giving them the benefit of our experience with the handling of information, and passing on to them a few tips about how to

identify and deal with the foreign weapons and explosives that were being used by alien terrorists. But even the more rational members of Congress have recently been expressing some concern about how carefully the Agency observes its statutory restriction against any sort of police, subpoena, law enforcement, or internal security functions. They apparently feel there is something essentially unhealthy about any agency involved in foreign intelligence carrying on operational activity within the United States.

While critical or suspicious regarding the Agency's covert action and paramilitary activities, uneasy about suspected domestic involvements of the Agency, and increasingly frustrated over the secrecy which protects the Agency's budget, the Congress generally seems to respect the Agency's record in the collection and analysis of intelligence information. They have noted increasingly in recent years the candor and professionalism of the Agency's intelligence briefings, and the scrupulous care exercised by the Agency in maintaining its objectivity in handling highly controversial subjects of major political significance.

It therefore seems clear that where collection and production of intelligence is concerned, the Congressional concern is not so much to clip the Agency's wings, but rather to get access to the Agency's intelligence product, and several legislative proposals have recently been introduced to serve this purpose. Some of these have gone so far as to propose that all intelligence produced by the Agency be made freely available to the full membership of the Congress through the facilities of the Armed Services and Foreign Relations Committees. Others have simply sought to impose upon the Agency a statutory obligation to keep certain committees fully informed on matters within the committees' purview. But the fact that more and more concern is being expressed on the Hill to get the benefit of the Agency's intelligence output is proof of the Agency's growing reputation for competence and credibility.

When such controversial issues as the ABM program, the world oil situation, SALT, and Mutual Balanced Force Reductions are at issue, it is only natural that a number of members of Congress other than those who are members of the Agency's Oversight Subcommittees should want up-to-date intelligence. In general it has been our policy to provide this information as freely as security considerations permit. There is, of course, the ever-present hazard that in doing so a member with strong partisan interests will use information obtained from the Agency out of context in support of one or another side of the argument. There is also, of course, the hazard that in the heat of debate a participant will reveal too much of the details of the information which we have provided. On the other hand, it can be argued that the Congress certainly is now exercising, for better or worse, a vital and frequently decisive role in decisions of the utmost importance to national security, and if its membership is denied access to the best available intelligence the national interest is being poorly served. The denial of relevant intelligence to the Congress, it is argued, may not only lead the Congress into blind alleys or costly and unwise decisions, but for the Executive Branch to have full access to vital information which is denied to the Congress gives the Executive an undue advantage over the Congress, and may have the additional effect of aggravating differences between the Congress and the Executive Branch in their appreciation of the problem at issue.

Certainly many of us have been troubled by the inherent security risks involved in sharing highly sensitive information with the Congress. The problem is how to impress upon the members whom we brief the reason for our concern over security. Often they take the attitude that nearly everything that we tell them comes out sooner or later anyhow, so why be so squeamish? Why shouldn't we let them get up and make a speech about it on the floor, rather than wait to be scooped by the newspapers?

In trying to cope with this attitude, it may be useful to point out the difference between a revelation by a Jack Anderson on the one hand, and a revelation by a responsible member of the Armed Services Committee who is known to have just attended an Agency briefing on the other. If I thought the KGB spent its time trying to analyze and evaluate every story put out by Jack Anderson, I wouldn't worry too much. But when a senior member of the Armed Services or Foreign Relations Committee appears on "Meet the Press" and talks about how much we know about Soviet missiles or submarines, odds are that the KGB assumes he's basing his comments on the best available intelligence information.

We have also found it useful sometimes to remind the members of the Director's statutory responsibility for the protection of intelligence sources and methods from unauthorized disclosure. It's worth pointing out that not only do we have this responsibility by law, but we are in a business which essentially involves a number of fiduciary relationships. We are already the most open major intelligence service in the world. Even in some of the oldest democracies, such as the U.K. and the Scandinavian countries, neither the public, the press nor the politicians are supposed to know the identities of the chiefs of the local service or the location of its headquarters. References to its activities rarely appear in public. Because we are determined to play the game according to American standards, we are already so overt that we have two strikes against us before we start. Therefore it is extremely difficult for us to live up to the obligations implicit in our delicate fiduciary relationships with our sources and collaborators—be they individual agents, friendly liaison services, cover organizations or indeed friendly governments—which might be placed in gravest jeopardy if certain of our special relationships with them, or activities which they permit us to carry out on their soil, ever became known.

Another point sometimes worth making in trying to impress upon Congressional members the value of our contribution to their tasks, and the importance of protecting our security, is to remind them that the U.S. Senate would never have ratified the first SALT agreement had it not been confident that we had a national intelligence capability of detecting significant violations. It can be persuasively argued that, in this sense, good intelligence is vital to the achievement of a meaningful peace. It can be contended that the greatest danger of major hostilities lies not in the deliberate attack of one great power upon another, but rather in the area of miscalculation which can only be avoided by an alert, competent, and credible intelligence service.

Most members seem to accept this point. They also accept, in theory, that for an intelligence service to be credible it must be scrupulously objective and non-partisan. However, in the heat of political controversy, it is inevitable that evidence attributable to the Agency is introduced, sometimes in distorted form,

in order to support one or the other side of the debate. During the ABM controversy we were frequently called on to brief committees and individual members of the Senate, and in nearly every case the recipients of these briefings found something to support their position, whatever it might be. Moreover, some of the more vigorous partisans used various devices to try to put words into the mouth of the Director or other Agency witnesses tailored to support their cause. It wasn't always easy to resist these pressures, but I know of no case in which they were not effectively resisted. And I am sure that if we had once started down the road of shaving our language, ever so slightly, to accommodate one or the other side in such partisan debates, it would be quickly detected and long remembered.

In fact, I think we can all be proud of the Agency's record in this regard. This record was eloquently attested to by Chairman Mahon of the House Appropriations Committee on January 16, 1973, when, in paying a tribute to Mr. Helms, he said,

"I must say I have not encountered a man in government who in my judgment has been more objective, more fiercely non-partisan, more absolutely inclined to be perfectly frank with the Congress than you have been. You have just called it as you have seen it, and we have complete and utter confidence in you. I am just glad that we live in a country which produces men who have the sense of loyalty and dedication that you have."

We can be justly proud of this reputation, but it carries with it a heavy burden. Inevitably, we will make mistakes in intelligence assessments, and when we err on matters of sharp political conflict, one side or the other is bound to accuse us of partisan bias rather than professional error.

If we overestimate any aspect of the Soviet threat, we are attacked by the doves. If we underestimate, we alienate the hawks. There is no insurance against these hazards, but the only way to keep them within tolerable proportions is to continue to display, in all of our intelligence presentations, the highest degree of professional objectivity and intellectual integrity.

Beside the problems we have in maintaining our professional integrity by avoiding involvement in partisan debate, we have the problem of maintaining our political integrity—or perhaps, more accurately, apolitical integrity—by avoiding identity with either the liberal or the conservative blocs in the Congress. Traditionally, the older members, because of their seniority on the Oversight Subcommittees, have largely monopolized the oversight function. They tend generally toward conservatism and hawkishness. The younger members, generally excluded from the prestigious Oversight Subcommittees and jealous of the favored position of their elders, tend to be liberal and dovish. The Agency can ill afford to be closely identified with either.

Inevitably, one who spends much time on the Hill is often asked for his personal "net assessment" of the Congress as a whole. I would have to say we get about what we deserve and maybe a bit better. They are, to be sure, not all equipped for the role of statesman. Among them are a fair number of dull fellows who instinctively distrust brilliance. (Dean Acheson, recalling his days as Assistant Secretary for Congressional Affairs, once cautioned me that in dealing with

Congress one is tempted to be brilliant, but it is safer to be dull, adding ruefully, "This I earnestly tried, but with only limited success.") But in the main we have a group of broadly representative Americans struggling to find a tolerable compromise between the demands of their constituents, the pressures of the media and special interest groups, horse-trading bargains offered by their colleagues, and the dictates of their consciences.

In the case of some, to resolve such conflicts on the basis of the limited mental and moral resources with which the Creator has seen fit to endow them must indeed be a formidable task, the results of which one should not judge too harshly. From the standpoint of the Agency, I think we can be thankful that we have on our subcommittees a number of members who devote so much constructive attention to Agency matters, knowing full well that they are thereby gaining not a single vote from a constituent, boost from a pressure group, or negotiable asset from cloakroom bargaining.

There have been a number of complaints in recent years, both from outside observers and from some of the younger members of the Congress, about the way the four intelligence Oversight Subcommittees carry out their responsibilities. It is claimed that these Subcommittees are made up almost exclusively of the older and senior members, generally of conservative bent, who lack the time and interest to maintain adequate overview of the Agency. The Subcommittees are charged with failure to insist upon a strict accounting of how the Agency spends its appropriated funds, failure to ensure that the Agency sticks to its legislative charter on such matters as refraining from domestic activities, white-washing the Agency's mistakes, and failing to keep their colleagues informed of what the Agency is up to, how much money it is spending, and so forth.

There is probably merit to each of these charges, and there is probably an explanation in defense against each. It is true that, traditionally, membership on the intelligence Oversight Subcommittees has been limited to the senior members of the full Committees. This, of course, is something over which the Agency has no control. But the fact is that the Congressional leadership, and the chairmen of the full Committees, have seen fit to favor seniority where intelligence matters are concerned. This may be in deference to the wishes of the senior members who normally get first choice at committee assignments. It may also be due to the assumption that the senior members are more likely to behave responsibly in the handling of sensitive information. But whatever the reasons, it is certainly true that, precisely because the members of the intelligence Oversight Subcommittees are quite senior and often have a number of other committee assignments or official responsibilities, they have only limited time and energy to devote to their intelligence Subcommittee responsibilities.

The inevitable result is that most of our Subcommittee members simply do not know the full details about what we are doing, and why we are doing it, and how we are doing it, that they probably should know, and that we in the Agency would be glad to have them know. In terms of efficiency, a democratic parliamentary body is certainly a far from perfect piece of machinery. No doubt subcommittees made up of younger members would find more time to devote to Agency business, and might make many constructive contributions to the conduct of Agency management and policy guidance.

Moreover, younger members should probably have less difficulty in mastering the modern technology and jargon which often creep into Agency briefings, whether relating to foreign weapons systems or to our technical intelligence collection systems. I have seen my colleagues wince when asked questions about how many missiles an hour can be launched from an SS-9 silo, or whether our estimate of the number of Soviet Y-Class submarines is based on anything more than a wild guess. One distinguished member apparently has never been quite clear on the difference between Libya, Lebanon, and Liberia, and when answering his questions on what's going on in these countries, a witness can only guess as to which of them he has in mind. In private discussions with him, it might be appropriate to try to straighten him out or seek clarification, but in a formal committee meeting in which a transcript is being made, precision must sometimes be sacrificed to tact.

The older members also occasionally suffer from a decreasing attention span, and particularly in afternoon sessions are prone to intermittent dozing. Also, failing faculties sometimes take their toll. I recall one elderly chairman, when shown a chart of various categories of covert action, reacted sharply and demanded to know "what the hell are you doing in covert parliamentary operations." When it was explained that the box on the chart he was pointing to was "*paramilitary* operations" he was much reassured, remarking "the more of these the better—just don't go fooling around with parliamentary stuff—you don't know enough about it."

But one who has been privileged to watch such committee chairmen as Stennis, McClellan, Mahon, Hebert, and especially the late Senator Russell, deal with highly complex problems of national security cannot but be impressed with their inherent wisdom and common sense which cuts straight through technical jargon and bureaucratic verbosity to shrewd and rational judgments. They may have only a vague conception of the highly technical matters that frequently arise in intelligence briefings, but they have an uncanny knack for asking simple and direct questions that force simple and direct answers that go right to the heart of the issue involved. And beyond that, they have an uncanny sense for detecting a snow-job. I remember one day driving back to the office with a colleague who had just been up to brief the late Senator Allen Ellender on a complex technical collection system. My colleague was deeply dispirited, feeling that Ellender hadn't the slightest idea of what we were talking about. I tried to reassure him by pointing out that whether Ellender knew what we talking about was not the issue. The issue was whether Ellender thought we knew what we were talking about, and whether we were leveling with him. I said that he had apparently resolved both questions in our favor during the first five minutes, after which he dozed off and ignored the rest of the briefing. My judgment proved right, for a few days later he gave the project in question full support despite strenuous opposition of certain other agencies in the community.

There is another advantage to us in having the more senior members of the full Committees sit on our Oversight Subcommittees. Regardless of what one hears and reads, the senior members of those exclusive clubs, the Senate and the House of the U.S. legislative establishment, observe a strict code in their relations with each other. No member of either club really exercises much influence among his colleagues unless he has a reputation for scrupulous personal integrity.

A member must live up to his oral commitment to another member. He must never lie to a fellow member. Therefore, when a member of our Oversight Subcommittee tells a critic of the Agency that he has looked into the matter and found the criticism unfounded, that usually puts an end to it. Also, when a Subcommittee member shares with a non-member a sensitive secret on the assurance that it will not be further revealed, that commitment is normally observed.

On the other hand, this code of conduct can occasionally result in problems for the Agency. One of its provisions, for example, is that every effort should be made to avoid a direct confrontation with another member. Thus, when some committee or individual member seeks to probe an Agency matter which we would prefer to deal with only before our Oversight Subcommittees, it is often difficult to get the Chairmen of our Oversight Subcommittees to assert their prior jurisdictional claim and force the non-member to back off. Usually some face-saving compromise is arrived at, such as allowing the inquisitive member to receive an "ears only" briefing on the matter from an Agency representative with an assurance that he will keep the information to himself.

While there is much to be said for the seniority system so far as Agency oversight is concerned, it has inevitably produced restlessness and suspicion among the younger members who, like their seniors, have more and more come to be interested in the Agency's activities and anxious for access to the Agency's product. In the House, particularly, some of the younger members have become quite vocal in their insistence that they be included in intelligence briefings and that they be given some sort of an accounting by the Agency Subcommittees of how these Subcommittees are carrying out their oversight responsibilities.

This restiveness has been particularly apparent in the case of the House Armed Services Committee. Both the late Carl Vinson and the late Mendel Rivers ran the Armed Services Committee with an iron hand, and both chaired, and dominated, the Intelligence Subcommittee of the Armed Services Committee. As a result, when Representative Edward Hebert of Louisiana took over the Armed Services Committee following the death of Rivers, he inherited a restless situation in which an increasing number of the younger members demanded reform in the way the Committee's affairs were managed.

In 1971, Mr. Hebert decided to forestall trouble by appointing as Chairman of the Intelligence Subcommittee one of the younger and more liberal members who enjoyed the full confidence of his colleagues. The man he selected was Lucien Nedzi, a Democrat from Detroit. A graduate of the University of Michigan Law School and veteran of World War II and the Korean War, Mr. Nedzi represented a district embracing such disparate communities as East Detroit, Hamtramck, and Grosse Pointe Farms. In taking over his new responsibilities as Subcommittee Chairman, Nedzi displayed a hard-charging and hard-headed attitude. He insisted on knowing not only the "what," but the "why," and the "who says so."

Throughout a series of "get-acquainted" briefings by Agency representatives, Nedzi took nothing for granted. He insisted on detailed explanations of everything he was told, and he read everything about the Agency and the intelligence business that he could get his hands on. Although he had a number of other commitments, he gave top priority to his responsibilities as Chairman of the

Subcommittee, and apparently was determined to know more about CIA and the intelligence business than any man on Capitol Hill. Needless to say, he wandered into quite a few blind alleys in the process and picked up a good deal of nonsense of the kind put out by disgruntled former employees and sensational writers of the fashionable intelligence fiction advertised as fact. But the Agency responded by answering all of his questions and freely making available to him the most sensitive material of every kind. By the time the Watergate story broke, he apparently was beginning to feel confident that he was on firm ground in dealing with the Agency and could safely defend us in the face of persistent efforts to implicate us.

As soon as all the Watergate allegations and speculations and suspicions began to circulate, however, Nedzi quite characteristically insisted that every one of them had to be explained or investigated. He launched an intensive investigation into all aspects of the matter, took sworn testimony from dozens of witnesses, including top Agency officers as well as key White House officials, and heard from a number of Watergate defendants themselves. His Subcommittee investigation was considerably better organized and more thorough and systematic than any of the several investigations conducted by the other Congressional committees who were interested in the case.

In the end, Nedzi's persistent skepticism and inquisitiveness, coupled with the Agency's forthright responses to his questions, paid off. While his Subcommittee report of the investigation did note that Agency officials had been "duped" into lending certain assistance to "the Plumbers" on the basis of their false representations, he absolved the Agency and all of its responsible officials of any guilty knowledge or knowing participation. In a story about CIA and the Watergate by Oswald Johnston in the *Evening Star*, 28 November, Nedzi is quoted as saying that his Subcommittee's record was complete, and that they had gone through piles of memoranda and classified files without finding a shred of evidence of any improper Agency involvement.

The Agency is indebted to Mr. Nedzi not only for his tireless work in setting the Watergate record straight, but also for some thoughtful comments on how the problems of Congressional oversight look from the perspective of a Subcommittee Chairman. These remarks, made before the CIA Senior Seminar on November 14, 1973, are quoted in full text in the following article.

This is, I believe, the first time that any member of our Oversight Subcommittee has given us in such detail the benefit of his perspective on the intelligence oversight problem.

I can think of no better insurance for the Agency's long-term professional credibility and political acceptability than to have people like Lucien Nedzi know all he wants to know about the Agency, and be satisfied by what he knows.

*A Congressman talks to the
CIA Senior Seminar, Nov. 14, 1973*

OVERSIGHT OR OVERLOOK: CONGRESS AND THE U.S. INTELLIGENCE AGENCIES

Representative Lucien N. Nedzi (D-Mich.)

I have entitled my notes this morning "Oversight or Overlook: Congress and the U.S. Intelligence Agencies."

"Oversight?" or "Overlook?"

To some extent this is a tongue-in-cheek characterization, but it is essentially an appropriate, fundamental question.

Indeed, it is a bit unsettling that 26 years after the passage of the National Security Act the scope of *real* Congressional oversight, as opposed to nominal Congressional oversight, remains unformed and unclear.

It is a sobering experience for me, as Chairman of the House Intelligence Subcommittee, to find our Subcommittee still in the process of defining ourselves, still exploring (or worse yet, just beginning to explore) what we can do and what we must do.

In Theory

There is inevitably a contradiction between needing to have more and more information to run our *open society*, and needing secret intelligence in our effort to *survive* as an open society.

I am sure we all agree on the fundamental assumptions:

— The secret aspects of intelligence cannot be dispensed with in their entirety.

— Over \$80 billion of our annual federal budget goes to defense, and the impact of this expenditure is obvious.

— The question of how much defense money we spend and how we spend it is basically determined by our assessment of the capabilities and intentions of potential enemies. This, in turn, depends on intelligence.

It is beyond argument that an effective intelligence system is critical to our national security. The *limits* we place on intelligence gatherers and intelligence users *are* what the discussion should be about.

Obviously, there is emphasis on getting the most information quickly and clearly to those who must make the critical decisions: The President, the Secretary of State, the Secretary of Defense, and the National Security Council.

There must also be an unrelenting effort which seeks to insure that those persons do not abuse the great power of the intelligence agencies and that the agencies themselves do not stray from their responsibilities.

Oversight

In my judgment, there are unsolved problems of *accountability* as related to the intelligence community, the military, and the executive branch.

Major decisions *have been* made and perhaps are still being made on the basis of information kept not only from the public but from the Congress. Indeed, there have been *decisions* made which should have been cleared with the Congress but weren't.

I believe accountability can be improved without doing damage to the national security.

In theory, the C.I.A., the N.S.A., the D.I.A. and the other intelligence arms are accountable to Congress and Congress is accountable to the people.

But what is the *practice*? Well, not as good as it should be.

Since the *product* of the intelligence community is used by the executive, there is naturally a judgment made by the users on the quality of the product. This provides a kind of "executive oversight."

However, merely using the product does not shield us from wrangling. The recent hearings we held on the "Alleged C.I.A. Involvement in Watergate," and the recommendations we made, reminded us that we cannot insure against wrongdoing merely by statutory language, no matter how carefully designed.

We must rely on a *sense of propriety* in the White House and in the agencies themselves.

When that sense of propriety is absent, or fuzzed over, then we are in trouble.

Congressional oversight, in any event, must be improved.

Examples of Shortfall in Oversight

Two or three brief examples of shortfall in oversight should be sufficient to make the point:

(A) A substantial question has to be raised about the scope and depth of Congressional oversight when it is revealed that the Senate C.I.A. Subcommittee did not meet at all in 1971 or 1972.

(B) When I was appointed chairman of the five-man House Intelligence Subcommittee, I was aware of public estimates that the intelligence community spends several billion dollars annually and has tens of thousands of employees.

I wondered how a Subcommittee of five members, all busy with the many time-consuming duties of high-seniority members, plus two ex-officio members, plus a small, two-man, part-time staff, could cope with anything so formidable in size, talent, and variety.

To ask the question is at least to be free of illusions.

(C) As my third example, I'll simply direct your attention to the N.S.A. Has that agency ever had a real, thorough review? Has the D.I.A., for that matter?

A Changing Mood in Congress

In my view, a vigorous exercise of Congressional oversight would be a good thing for the Congress itself, the Executive, the agencies, and the public interest.

If we aren't vigorous in the short run, we aren't doing anybody any favors, for problems will pile up in the long run.

If we don't do the job now under the present structure—and the jury is still out—then something quite different may be established, for the mood of Congress is undergoing a change.

Congress, and public opinion, is in a more challenging mood, not only on defense matters, but on intelligence. The average age and tenure of members has also declined substantially. This signals a departure from previous assumptions, and predilections.

There are more Congressmen and more Senators who want to get into the act. In this they reflect the Congressional mood and the public mood. *Inaction* on our part would feed these trends; responsible, deliberate action would quiet many of the fires of discontent.

Further, there seems to be some public concern, fed by Watergate, that a so-called "C.I.A. mentality" has taken hold in the Executive. That is, that an Executive accustomed to approving "extra-legal" activity abroad became slack in guarding against extra-legal activity at home. . . . There are philosophical, moral, and political considerations here that call for our reflection.

My Various Constituencies

If I may, I'd like to personalize things for a moment or two, so that you can understand me better.

For one thing, you should understand that while you are full-timers, I am of necessity a part-timer in the intelligence business. You should also understand that the pressures on us are different.

The way I see it, I have not one constituency but several constituencies.

I have the constituency of my Subcommittee members, all of whom are senior to me and must be accorded respect and a proper measure of deference.

I have the constituency of my colleagues in the House, who feel, at least in some degree, that I represent them generally and even in individual conscience in dealing with the various intelligence agencies.

Then I have the constituency of the several agencies, whose interests and problems I must be sensitive to and in a sense represent with my Subcommittee, full Committee, and House colleagues.

Finally, I have the constituency of the 467,000 people of the 14th Congressional District of Michigan. I must, for example, take care of my oldtimers who desperately need an increase in social security benefits. I've got to stay in close touch with political developments in all of the several communities of my district, be sensitive and responsive to hopes and fears, enduring problems, and future problems. At times, as in the 1972 campaign, when bussing, the Democratic Na-

tional Convention quota system, and the McGovern debacle threatened disaster, I had to devote months of my time surviving bitterly close primary and general election campaigns.

Nevertheless, I am fortunate to have a veteran and able personal staff both in Washington and Detroit. This personal staff does relieve me of much of the Congressional office burden, and I have been able to perhaps spend more time on intelligence than most of my colleagues.

I believe the Subcommittee and I have made some deep probes and are becoming better acquainted with each other and with the agencies. I also believe we have laid the groundwork for the enlargement of our Subcommittee staff.

Possible New Directions

As you know, the House Intelligence Subcommittee recently completed an in-depth probe on "Possible C.I.A. Involvement in the Watergate and Ellsberg Matters." Last year we looked into that basket of eels, the classification and overclassification of documents.

These were probably the two most extensive inquiries made by an Intelligence Subcommittee since the 1947 Act.

I am satisfied with the results. As a beginning.

But there remain many questions, some practical, some philosophical.

For example, how much detail should Congress receive? Should we limit ourselves to the budget, or should we get into personnel, into policy, into operations?

Second, there are four Subcommittees—two each in the House and Senate—charged with oversight responsibility.

I must concede that the "interaction" between them has not been substantial. Indeed, it has been barely visible.

To be candid about it, the four Subcommittees can be likened to four small principalities, not at war with one another but going their independent ways. The situation reminds me of a Greek dialogue, where there isn't point and counterpoint, question and answer, but a preoccupation with building parallel pyramids, each building away furiously. If this analogy is accurate, I think our House Intelligence Subcommittee has built the highest pyramid thus far.

Third, we are well aware of certain axioms of government and public administration, namely that regulatory agencies tend to take on the coloration of the industries they are supposed to regulate, and that relationships between part-time commissions and full-time executive directors tend to be weighted in favor of the vigorous full-time executive director. There is an aspect of this in *our* relationship and also an inevitable aspect of "joint enterprise" on some issues. Nevertheless, I believe a Congressional subcommittee can be a joint enterpriser on one matter and a responsible critic on another.

Fourth, there is always the possibility of a "moral crunch", the possibility that if you know too much, if you don't side-step the moral ambiguities of a particular intelligence operation, you will come up against some deeply troubling decisions.

There is such a thing as that certain glow, that pleasant vibration, which flows to a Congressman allowed the privilege of being "on the inside," to be privy to fresh and sensitive information. Some are quite satisfied to have a corner of the rug lifted and to be given a peek, and that is enough. If I may paraphrase, it is my understanding that some members of Congress in the last 26 years have said, in effect, "I approve in general. I don't want to be told details. Go to it."

This is understandable and can be explained in various ways:

Trust, Business, Laziness. The fear of moral involvement.

It may be simply that Congressmen *trust* the agencies, respect their track record, respect their expertise and command of detail.

It may be that a member is too busy, or too ill or lazy, to summon the intellectual discipline to really review things. So the easy way out is not to give oneself the rugged assignment.

Finally, there is the worrisome complication of being morally involved, compromised, silenced. It is, for example, easier for some ambassadors to function without knowing details of what the CIA country chief is doing. Likewise, a Congressional committee. For if you know a sensitive policy or operation, you may have to proceed to the question of your responsibilities to your Congressional colleagues and to what you perceive to be the national interest. And if you deeply disagree, are you to remain silent? Or protest privately? Or publicly? It's not an easy question.

The Optimistic Side

I don't want to paint too gloomy a picture.

We do have advantages.

We have proven, in the work of the House Intelligence Subcommittee, that we can be probing and responsible and keep our findings leak-proof and closely held.

Second, we have a flexibility of resources. Chairman F. Edward Herbert, one of the veteran and major figures of the House, has been fully cooperative and supportive.

Third, we have flexibility in picking our spots, using the power of the purse and of subpoena.

Fourth, we do not perceive ourselves as being in a tense or rigid adversary relationship with the various intelligence agencies. All, without exception, have been forthcoming and cooperative.

Fifth, we have the rare and limited privilege of having an *overview* of not only one agency but all agencies. This is quite an advantage in a field where compartmentalization is the norm. We could, I suppose, even play one agency off against another.

Finally, we have the advantage of being relatively informal in approach, of being able to change directions, of not being hemmed in by structure or precedent.

Finale

We are, in the end, you and I, jointly trying to preserve the fundamental processes of our free society.

It will help if we understand each other. And so I'll close with a personal recollection.

I recall a meeting I had here with then-director Richard Helms in which I told him, "you've been very cooperative in answering my questions. The trouble is I'm not sure I'm asking the right questions."

"You're getting there," he smiled, "You're getting there."

Well, I hope I *am* getting there, and if I'm not, I'd like your help.

*There's a dark lantern of the spirit,
Which none see by but those who bear it,
That makes them in the dark see visions
And hag themselves with apparitions,
Find racks for their own minds, and vaunt
Of their own misery and want. (Samuel Butler)*

THE SAM UPGRADE BLUES

Sayre Stevens

In the period from 1969 until the signing of the ABM Treaty in Moscow in 1972, the intelligence community was faced with a new challenge. Most simply stated, that challenge came in the form of a postulation that the Soviets might somehow give ABM capabilities—through “SAM upgrade”—to their extensively deployed air defenses and thereby significantly affect the strategic balance between the U.S. and the USSR. This postulation came from a scientific and technical community largely outside the intelligence business which found its leadership in the Office of the Director of Defense Research and Engineering (O/DDR&E). As a result of this challenge, the intelligence community, and most particularly the CIA, was forced to assess the likelihood of material possibilities fostered in the lively imaginations of defense technologists whose thinking was largely unfettered by the factual constraints affecting current intelligence judgments. In this confrontation, we were faced with the task of countering an argument which was continuously modified and which preserved its importance so long as any possibility of its viability could be maintained.

The Elements of the Strategic Problem

In order to understand the importance attained by the SAM upgrade question, one must be willing to accept axiomatically a few precepts of strategic thinking. Let us not argue these at the moment, but let each reader for himself put the case:

1. That he must live in a world where international order and national security rely upon a stable, mutual deterrence maintained by the strategic weapons of the U.S. and the USSR.

2. That the only meaningful tests of mutual deterrence are weapons exchanges which take place within the electronic circuitry of large computers where the ability of one nation to exact, through retaliation, an unacceptable price for the aggressive indiscretions of the other can be shown to be assured under all conceivable circumstances.

3. That—in consequence of such a stability criterion—the power to destroy millions of people by either side is desirable, while those developments or actions which might degrade that capability are not: missiles that are only capable of killing people are good; those that might be used to kill other missiles (i.e., those that protect people) are not.

4. That he has not been persuaded by Messrs. Panovsky and Rathjens, among others, that ABM defense is inherently impossible, that he worries about it a lot and notes particularly that when ABM defenses are included in computer wars they are apt to have the unfortunate effect of greatly reducing the number of people killed.

5. That he then understands that the foundations of international order and national security are threatened by the widespread introduction of ABM defenses in either the U.S. or the USSR.

These are more or less the rules which underlie the game of SAM upgrade. They were the means by which the outcome of that game can be directly coupled to a number of important strategic policies. There were some imperatives around at the time the game began which, without a doubt, helped get it going. These imperatives arose from threats to proposed defense technology R and D intended to enable the U.S. to cope with almost any conceivable military threat. Most important was debate as to whether or not the Mark-12 MIRVing of our Minuteman force (i.e., equipping ICBMs with multiple independently targetable reentry vehicles) should be implemented. Also of importance, though less logically so, was the heavy flak being encountered by the U.S. ABM program. Underlying all this, of course, was the growing momentum toward the undertaking of serious strategic arms limitation negotiations with the Soviet Union. Negotiations might well ultimately result in our freezing the state of weapons technology and denying us the opportunity for improving or augmenting our forces in ways already being espoused. With threats to programs such as these and with the growing insistence that our defense expenditures be related rather specifically to the anticipated threat from abroad, what might be called "creative threat modeling"—always a popular sport—gained even more adherents.

The intelligence community suffered some important disabilities in dealing with the creative threat modelers: it was reasonably respectable and conservative; it had been responding to military fantasies for so many years that it had been conditioned to an automatic skepticism and short-tempered response to such proposals; and, finally, it really could not match the imagination that it was facing from outside. It had an additional problem in that it was dealing with a group of people whose forte was the innovative development of new weapons concepts and the ability to overcome the technological hurdles which stood in the way of their realization. Technical intelligence analysts must necessarily work within an analytical framework that is bounded by technical constraints which serve to discriminate among the impossible, the possible but unlikely, the probable, the most likely, etc. Thus, while intelligence analysts focused upon the existence and the effective application of technical constraints, the creative modelers focused upon their elimination.

The CIA had furthermore been conditioned to an immediate negative response to the SAM upgrade proposal as a result of the long and bloody fight about the role of the Tallinn or SA-5 system. In the course of this struggle, the community had effectively chosen up sides in disagreement as to whether this Soviet defensive weapons system, deployment of which began in 1963, was an ABM or a SAM system. CIA had steadfastly maintained the system to have been designed and deployed to fulfill an air defense role. The story cannot be con-

sidered at length here but deserves separate treatment in some other article. Suffice it to say that any suggestion of giving ABM capabilities to SAM systems would be viewed as another ploy in that dwindling but still touch controversy.

It is also important to note here that this was not an issue that had been generated and needed to be resolved within the intelligence community. Indeed, the intelligence community was united and in agreement throughout the SAM upgrade affair. The problem was raised outside the community, so that the long-established mechanisms for resolving the kinds of differences that were to emerge were not available for application. The CIA largely represented the intelligence community throughout the debate because of its established role and representation within the SALT community. That it did so reasonably well is attested to by the relatively easy acceptance of its views on SAM upgrade by the other intelligence agencies in NIE 11-3-71.

Against such a backdrop, we must address the SAM upgrade hypothesis explicitly. The Soviets had only a limited ABM defense around the city of Moscow, and there was general agreement its capabilities were limited. No evidence of further deployment could be found. A new defensive weapon system, the so-called Tallinn or SA-5 system, was being widely deployed throughout the country. But, while it made eminent strategic sense for that system to be an ABM system, the likelihood that this was the case was being persuasively, if not conclusively, ruled out by the intelligence community. The only remaining possibility rested in the contention that the system might well have a dual capability against both airborne and ballistic missile threats, but even this line was running thin by 1968. If these were, however, air defenses, there was no denying the Soviets had a hell of a lot of them.

More specifically, deployed throughout the Soviet Union were over 10,000 surface-to-air missile launchers of several different types capable of providing defense against attacking aircraft. What, asked the SAM upgraders, would we do if the Soviets were somehow able to provide these wide-spread air defenses with a capability, which they might indeed now have, of attacking our ballistic missiles? Suddenly the limited ABM defenses around Moscow would be replaced by defenses spread across the entire country in very large numbers. As we have noted, ABM defenses have tremendous leverage in affecting the outcome of paper wars searching for the assurance of unacceptable retaliation in the event of a surprise attack. The addition of 10,000 new missile interceptors might indeed throw that assured destruction into question.

A number of specific issues were considered at length in the course of the SAM upgrade arguments. First and foremost was the question of whether air defense systems could be effectively upgraded to perform a useful ABM role. It was about this issue that most of the controversy raged. This is understandable since a demonstration that such a step was not feasible could most quickly end the debate. Unfortunately, one cannot categorically separate SAMs from ABM interceptors with full assurance that a system designed to do one thing will have no capability to do another, though the intelligence community was perhaps guilty for a time of such thinking. A second issue involved the question of whether any meaningful deterioration in our assured retaliatory capability would result even if such upgrading occurred. While a convincing argument that our retaliatory capability would not be put in serious jeopardy by SAM

upgrade could be a powerful counter in the debate, it would be inevitably blunted by the fact that it was Soviet perceptions which were most important. This proved to be an issue which received only limited attention, and one that was repeatedly confounded as the Defense Department continued to unearth remarkable limitations in the flexibility with which the U.S. could employ its strategic forces. Finally, there was the critical question of whether the Soviets would indeed pursue a program like SAM upgrade. Ultimately, the intelligence community had to make its stand on this issue.

Some SAM Upgrade Hypotheses

No one seriously contended that *all* 10,000 SAM launchers might be used for missile defense. Some of the deployed Soviet air defenses were largely obsolescent (the SA-1 system around Moscow) and others had specific tactical or low altitude missions (SA-3 and SA-4) which denied them the inherent capabilities needed even for upgrading. The only two real candidates were the SA-2 and the SA-5 systems. They alone employed missiles and radars whose performance begins to approach the levels required for such a task. In 1969 there about 5,000 SA-2 launchers and nearly 1,500 SA-5 launchers either operational or under construction across the USSR.

Quite remarkably, the greater part of the SAM upgrade debate centered upon the SA-2 system. The problems with the SA-5 from an upgrade point of view were its deployment in barrier fashion across major routes into the population and industrial centers of the Soviet Union, and the impossibility of relocating it without tearing up yards of concrete. Thus, the limited area protected by an SA-5 operating in a manner consistent with its having an air defense role had relatively little significance. We also suffered from a shameful state of ignorance about its characteristics and so couldn't do the kind of detailed technical analysis that supported SA-2 upgrading studies. The SA-5 re-enters the story later on, however.

There were early suggestions that the Soviets might use SA-2 missiles for ballistic missile defense purposes. The most notable of these suggestions came from Strategic Air Command analysts who linked deployed SAM sites with Tall King air warning radars in a scheme to which they attributed ABM capabilities of a sort. This contention was not taken seriously by the technical intelligence community which looked askance at its mystico-geometrical foundations. The real opening gun of the SAM upgrade affair was fired in the spring of 1969 at Sandia Laboratories in Albuquerque. Analysts at Sandia had looked at the problem for the first time in what proved to be the proper fashion. Using well-accepted models of the SA-2 system and all the characteristics of U.S. ICBM reentry vehicles, they were able to show, through simple engagement simulation that the SA-2 could, in fact, engage a large portion of the U.S. missile force if the interceptor were equipped with a nuclear warhead. Reports of Sandia's results were circulated throughout Washington and within the CIA but were not taken seriously. Sandia's concern with the problem was attributed to its increasing nervousness about the vulnerability of U.S. weapons to nuclear weapons effects and to a desire to get on with the Mark-12 reentry vehicle program. Finally, in the summer of 1969 Sandia persistence resulted in a briefing of analysts working in the defensive weapons field in the CIA. The Sandia argument was simple and impressive. We looked hard for obvious errors; we made

some corrections to their SA-2 model; we questioned some of the characteristics ascribed to the Mark-11 reentry vehicle carried by the Minuteman ICBM force. But we could not shake the basic validity of Sandia's study. Moreover, we were impressed with the importance of a detailed understanding of U.S. weapons when assessing the capabilities of foreign weapon systems to counter them. For example, the Mark-11 RV has an extremely small radar cross-section that poses an almost impossible target for air defense radars. What we had failed to realize was that the nose shield which provides this low cross-section burns off at about 90 thousand feet so that the reentry vehicle then "blooms" as a target. The effect of this characteristic—along with others—was to make incoming RVs far easier targets for SAM systems than we had previously realized. If nothing else, the intelligence community was forced to abandon its consideration of foreign weapons systems largely *in vacuo* and to accommodate its analysis to the need to answer very specific questions arising from the net technical assessment of U.S. and opposing weaponry.

Sandia's work was followed by a study by the General Research Corporation for the DDR&E and a hurried look at the problem by the Strategic Military Panel of the President's Scientific Advisory Committee.

After a substantial amount of agonizing over these studies, and in response to the expressed concern of the DDR&E and the Arms Control and Disarmament Agency (ACDA), it was decided within OSI that we ourselves would investigate the ABM capabilities of the SA-2 system. The report was a departure from previous studies of Soviet advanced weapons developments produced by the CIA. It concerned itself with the potential capabilities of a system—with suitable modifications—to perform a role for which it was not designed and in which it might at best be only marginally effective. We knew from unassailable evidence that the SA-2 system had been designed and developed for defense against aerodynamic targets—not ballistic missiles. All available intelligence information indicated that its deployment and operational doctrine were dictated solely by consideration of its air defense role. Furthermore, our assessment was based upon a greater knowledge of the SA-2 system than almost any other Soviet weapon system; it had been derived from years of collecting information on the system, including the acquisition of actual hardware. It might also be noted that the study was undertaken to the absolute horror of a number of the Agency's best and most respectable air defense analysts.

In performing the study, we required that all the elements of the system be employed in very nearly the same way that they were used in an air defense role, but allowed the introduction of operational doctrine and procedures specifically tailored for an ABM role. We assumed the interceptors to be armed with nuclear warheads—a *sine qua non* for ABM capabilities. This approach later became known as the "mini-mod system" when many more imaginative modifications to the system were introduced in response to the identification of its specific shortcomings when used for missile defense.

The study was completed and published in December 1969. It generally confirmed the basic results of the Sandia analysis: the nature of the ballistic missile defense problem and the characteristics of the existing U.S. missile threat allowed the SA-2 system—under restricted circumstances—to defend portions of the USSR against a part of the U.S. Minuteman force. To provide

even this limited ABM defense, early warning information, prelaunch target acquisition information for the SA-2 guidance radar, widespread deployment of nuclear warheads, and several minor modifications to the SA-2 equipment were required. The availability of each of these was highly conjectural. Without them, the system as deployed could provide no ballistic missile defense whatsoever. Despite these limitations, the depth of defense that *might* be provided by the SA-2 was not insignificant because of the large number of sites deployed near Soviet cities and because of the general purpose flexibility built into this air defense system.

Despite the inherent capabilities of the system, three very significant drawbacks to its use for ABM purposes became clear:

1. The coverage provided depended heavily upon the reentry angle of the attacking reentry vehicle (RV). At the time of the study, about half the U.S. Minuteman force was targeted to employ trajectories involving reentry angles of 19° . Against these targets, the protection that might be provided by an SA-2 site could cover an area as large as 100 to 300 square nautical miles. The other half of the Minuteman force reentered at 24° . Coverage of targets attacked by these missiles would extend at most to about 70 square nautical miles and in some circumstances would not exist at all. No protection could be achieved against ICBM's with reentry angles greater than about 28° . The Mark-12 RV (now deployed on about half our Minuteman force but then only planned) reenters at such steep angles.

2. The coverage similarly waxes and wanes with the minimum intercept altitude the defense is willing to accept. To achieve the larger coverages noted above, intercepts down to 6,000 feet would have to be allowed. At altitudes this low, the thermal and blast damage from a 1 to 20 KT defensive warhead could be fairly extensive. Furthermore, if the offense were willing to detonate the RV at higher altitudes, it could overcome the defense without serious degradation to RV damage of soft targets.

3. A third drawback resulted from difficulties in discriminating engageable targets from those which were acquired by the SA-2 radar but not within reach of its missile. If a limited number of nuclear armed interceptors were available, they might quickly be expended to no avail in the event of a multiple RV attack.

It is not my purpose here to deal at length with the technicalities of SAM upgrade, but these analytical results shed light on some important considerations. Any ABM capability that might be ascribed to the SA-2 system was highly qualified and conditional. But those who took the possibility seriously noted that some capability could indeed be shown to exist. Those who denigrated the possibility emphasized that such capabilities were "technical" or "theoretical" and not "real," though no means for giving meaning to those characterizations ever emerged. It was also pointed out that no country would rely upon a defense which depended upon the attacker's behaving in a certain way which made him peculiarly vulnerable; on the other hand, it was noted that the approaching strategic arms limitations negotiations might freeze the offense so that pre-

cisely such a situation might occur. Discussions about the possibilities of changing reentry angles or burst heights quickly showed that it could be accomplished only with great difficulty.

The report we prepared was not enthusiastically received. In several parts of the Agency and elsewhere in the community, we were charged with having added fuel to a destructive fire by not rejecting out of hand a palpably ridiculous suggestion. Within the defense technology community, we were ridiculed as delicate flowers unwilling to go the whole way in addressing the possibilities of upgrading SAMs. Throughout the rest of the debate—through the SALT considerations and the preparation of NIE 11-3-71—CIA's defensive weapons systems analysts alternately defended the possibilities of SAM upgrade or argued against its likelihood depending upon the particular protagonist being encountered.

Our SA-2 "mini-mod" led to far more ambitious efforts by others. Charles Lerch and Chris Nolen of the Institute for Defense Analysis did a truly magnificent job for the DDR&E. We all agreed that their accomplishment was rivalled only by the "Report from Iron Mountain." In its later stages the Lerch-Nolen system—employing radars that in ELINT were indistinguishable from TV stations—could even handle Mark-12 MIRVs. Most galling to the intelligence analyst was their imaginative use of the obsolescent Spoon Rest as an acquisition radar for the SA-2. Because of its relatively low frequency, some substantial modifications and proper use of this radar might allow detection of U.S. ICBM RVs—which appear very small to radars operating at higher frequencies—at very long ranges. We knew a lot about the Spoon Rest. We had measured its effective power and established its detection range in a very sophisticated and sensitive technical collection program associated with assessing the vulnerability of the U-2 and Oxcart aircraft. What was the point of such efforts, if our hard evidence about capabilities could be blithely assumed away when an issue critical to national security arose? But Lerch and Nolen could show how the improvement they needed to make their system work might be obtained and we couldn't rule out the possibility that such modifications might have been made since we made our measurements. Or, that if not made yet, that they might not be made tomorrow.

Meanwhile, the beginning of serious SALT discussions was approaching and the vast paper underpinnings of that effort were in preparation. SAM upgrade posed serious problems in the treatment of ABM limitations since no one was anxious to include air defenses within the scope of the discussions. Furthermore, the possibilities of using SAMs for ABM defense argued against prohibiting ABM deployment or limiting it to low levels, inasmuch as the U.S. had almost no SAMs it might upgrade. They argued as well against prohibiting MIRVs since they appeared necessary to penetrate a widespread ABM defense. Since ABMs and MIRVs were the two developments that arms control proponents most wanted limited, SAM upgrade was particularly vexing. ACDA in particular felt anguish. It counterattacked by bringing into its camp a number of "hired guns" in the form of leading scientists prepared to take issue with the technical argu-

ments of the defense technologists. Such men as Wolfgang Panofsky, Sid Drell, and Dick Garwin were involved in this effort. They turned their imaginations loose on improving the U.S. missile force. As one side improved Soviet defenses by modifying SAMs, the other found ways of reducing the vulnerabilities of U.S. missiles in an interacting spiral of technical inventiveness. An early attempt to prepare a paper for SALT purposes on the effect of SAM upgrade on U.S. retaliatory capabilities virtually collapsed as DDR&E representatives insisted on the "realistic" treatment of U.S. missile forces but freely modified the intelligence characterization of Soviet SAMs, while ACDA representatives upgraded U.S. strategic weapons and insisted on sticking to intelligence estimates insofar as Soviet forces were concerned. Caught in the middle, we tried to cling to some vestige of what we thought might be reality and desperately sought some technical constraint on the possibilities of SAM upgrade which might stem the tide. We investigated computer and software limitations, communications problems, human factors, the availability of nuclear weapons material, etc.; but nowhere could we find that constraint that the Soviets might not be able to overcome.

Many others came up to bat in trying to upgrade the SA-2. There is little point in reviewing all these efforts. None was able to push the possibilities beyond those conjured up by Lerch and Nolen. In general, our original conclusion was sustained. Some capability could be shown through technical analysis to exist; that capability had strategic significance because of the large number of SA-2 sites and their deployment close to Soviet cities. That capability, even if it actually existed, however, was fragile and subject to some drawbacks which might allow the offense to deny it through modification of his ballistic missile force.

The reader might well insist that the ABM possibilities of the SA-5—which some were claiming already had ABM capabilities—be now addressed. The deployment shortcomings of the SA-5 have been noted. It is not a system that might easily be moved. The limited area protected by an SA-5 site intercepting incoming RVs within the atmosphere simply could not be stretched to protect major population or industrial centers. A good deal of work was done on investigating possibilities for using the SA-5 system to attack ballistic missiles outside the atmosphere in ways that would allow the system to provide extensive coverage. As we learned more about the system, however, it became clear that the SA-5 missile required aerodynamic control which tended to dampen enthusiasm for such schemes. Nevertheless, somewhat later in the game, a major net technical assessment of the capabilities of the SA-5—as it was best understood by the intelligence community—was undertaken jointly by the Agency and the DDR&E. That study showed that with some important modifications, fairly large areas might be protected by the SA-5. Once again, however, the defense could only be characterized as fragile and uncertain. This analysis was necessarily performed with more diffidence than in the SA-2 case because of the relatively large gaps in our knowledge about the SA-5.

Though the electric qualities of the SAM upgrade debate now are all but gone, concern about the matter continues because of the possibility that new air

defense systems will emerge with inherent capabilities so improved that they might have a true dual capability enabling them—with different operational doctrines—to cope with both aerodynamic and ballistic missile targets. If Soviet air defenses are to cope with threats like the U.S. Short Range Attack Missile, (SRAM), they will have inherent capabilities of this order. The early identification of such a system is, of course, tremendously important.

The Matter of Likelihood

But enough of the question of technical feasibility. The ultimate question of concern is whether these possibilities were such that the Soviets might indeed try to capitalize upon them. As noted above, there was some contention as to whether or not the upgrading of SAMs would have any real effect on our ability to retaliate in the event of a first strike. Clearly, one could show that with the full U.S. arsenal intact, enough RVs would penetrate to dissuade the Soviets from going to war. It was not so clear that that would be the case were our retaliation to follow a successful first strike by the Soviet Union. In such circumstances, it would be uncertain which missiles would remain in our arsenal. Targeting would be incomplete, and no pre-attack scheme for assuring penetration could be relied upon because important elements of that attack might have been lost. The rapid retargeting of missiles after a first strike was not considered a realistic possibility.

Little has been said here about the capability of upgraded SAMs to cope with the Polaris submarine-launched ballistic missile. It appeared for a time that the Soviets' lack of knowledge about where submarine-based missiles might be launched left them with an initial detection and acquisition problem that could not be handled by an upgraded SAM system. As the upgrade investigation continued, however, it was found that Polaris missiles present remarkably large radar cross-sections and that a number of possibilities were available to provide terminal SAM defenses with the acquisition information they needed. Some argued early on that no first strike could counter our Polaris force and that these missiles would by themselves have sufficient retaliatory capability to assure deterrence since they could not be attacked by widespread SAM defenses. This argument was, of course, blunted as ways to handle that threat were devised.

A number of simulated weapons exchanges were run to determine the extent of degradation that might be accomplished as SAMs were used for ABM defense by the Soviets. When these simulations concerned themselves only with the extent of possible protection, they showed such defenses to have a significant effect. But the element lacking in this analysis was a measure of the quality of defense. Certainly the likelihood that the Moscow ABM system could defend targets within its calculated coverage must be higher than that an SA-2 site could defend targets within the coverage we had calculated for it. The SA-2 system necessarily operated at the very margin of its capabilities. Human performance had to be almost perfect. High assurances of RV kill were not involved, etc. Despite the recognition of this problem, it was never adequately dealt with throughout the debate. What was really needed was a quantitative measure

of the probability of kill by an SA-2 interceptor operating against targets within its range of coverage. No one was successful in generating such a number. Thus, we were left in the unhappy situation of running studies that assumed an SA-2 interceptor was as good as the Galosh missile in killing incoming RVs. This is, of course, patently inadequate. The result was to leave us with the conclusion that should Soviet SAMs be used for missile defense they could, under some circumstances, have a significant effect on our ability to retaliate.

But would the Soviets actually pursue such a course of action? Would they undertake the costly task of upgrading a country-wide system of air defenses in order to attain a limited and conditional defense? Our studies on the effects of upgrading had shown that such defenses would not have high effect in the event of a calculated U.S. first strike. Thus, such a massive upgrading scheme would seem to make little sense for simple defensive purposes. The real question seemed to be whether the Soviets would pursue such a policy in the belief that, coupled with a first strike, it could perhaps protect them against the response that would follow. Since we now had indications that the Soviets were interested in ABM limitations, the cost of their following the SAM upgrade path would presumably include the risks of being caught in violating arms limitations agreements they apparently wanted. They would buy, at best, an uncertain defense, one upon which it was hard to believe they would be willing to risk their country. It was certainly an approach not in keeping with the Soviet way of doing things. The Moscow ABM system employs huge radars of great power, interceptor missiles that are larger than the Minuteman ICBMs they are to counter, and, generally, a remarkable profusion of expensive system elements for the amount of defense they could hope to achieve. To rely on a jury-rigged SAM system seemed wholly inconsistent. The Agency's view on this likelihood was expressed in fairly straightforward and simple terms:

The Soviets for years have demonstrated conservatism in assessing their own defense requirements and in designing systems to meet those requirements. With this conservative outlook, conscious of the shortcomings and ephemeral nature of any defense which SAM systems might provide against missiles, and uncertain about the effects of being detected in a treaty violation, Soviet leaders are unlikely to view the upgrading of SAMs as a viable means of altering the strategic balance.

Although the inherent ABM potential of Soviet SAMs might be utilized *in extremis* in an effort to reduce the destruction caused by a U.S. missile attack, the uncertainties involved in such a step—even with upgraded SAMs—make it very unlikely that the Soviets would adopt this procedure. In view of these considerations, we believe that a program of SAM upgrading for ABM defense is not likely to be undertaken by the Soviets.*

There were, of course, other views; but none took sharp exception to that of the Agency. The SAM upgrade enthusiasts tended to question anyone's ability

*National Intelligence Estimate, NIE 11-3-71, TCS 2027-71, 25 February 1971, p. 58.

in the U.S. to anticipate how the Soviets would act in such circumstances. We were continually confronted with the argument that while we might call upon any subjective arguments we chose, the objective fact of SAM upgrade effectiveness had been shown and must be dealt with.

SAM Upgrade and SALT

The most immediate problem posed by SAM upgrade in negotiating the existing ABM treaty hinged on the matter of verification. How could we be assured that the Soviets were not evading compliance with treaty limitations by upgrading their SAM systems to provide an ABM defense beyond the levels allowed? We looked hard at our ability to detect signs of SAM upgrade through "National Technical Means of Verification." We believed we could detect a number of things. In particular, we in the CIA were convinced that we could detect the testing of SAM systems in an ABM mode, that we would detect significant changes in operating radars or in the patterns of deployment. Though we argued these beliefs strongly, we suffered when the state of our knowledge of the SA-5 system was raised. We had at that time not yet identified a single signal intercept from the SA-5 radar. Conclusive proof that the system had no ABM capabilities could not be mustered despite the fact its deployment was approaching 100 complexes throughout the country. How then were we so sure that we could detect a small matter of equipment modification and improvement? When we pointed to our ability to monitor and technically characterize the large Soviet early warning radars needed for SAM upgrade schemes, defense technologists invented a radar built into the side of a building which emitted signals indistinguishable from those of a TV station. Though we raged, we could not disprove the possibility or even the outlandishness of such schemes if the Soviets truly intended to develop a system deceptively in violation of arms limitation agreements.

As a result of these discussions, verification of the fact that SAM upgrade was not occurring became an important consideration in the initial U.S. arms limitation proposals. Indeed, the first options presented to the Soviets for prohibiting MIRVs were accompanied by a requirement for on-site inspection to insure that SAM upgrading had not occurred. In other options, less intrusive but nevertheless quite detailed ancillary constraints were included to insure that verification could occur through national technical means. The Soviets very quickly ruled out any possibility of their accepting any agreement which included provisions for on-site inspection. And it is perhaps fortunate they did, because a very detailed look at what we could learn about SAM system modification by simply visiting air defense sites showed that it wouldn't necessarily be much. In the course of the negotiations that led to the ABM treaty, nearly all these initial provisions dropped away. Some few important ones remained. Most important, both sides have undertaken "not to give missiles, launchers or radars other than ABM interceptor missiles, ABM launchers, or ABM radars capabilities to counter strategic ballistic missiles or their elements in flight trajectory and not to test them in an ABM mode;" the belief that we can monitor compliance with such an

undertaking rests in our belief that no country would be willing to risk its fate when it had to rely upon an untested defense. Thus, we believe we will detect evidence of test programs intended to prove the effectiveness of upgrading SAM systems for ABM purposes if the Soviets do indeed intend to rely upon such a defense.

How Well Did We Do?

In assessing Agency performance in coping with the challenge of SAM upgrade, it is necessary to understand some basic problems which existed. In the first place, the intelligence community sees its function as providing the best description that it can of what is really going on and identifying those possibilities of future developments which it believes are most likely to happen. It is a matter of conscience that the conclusions it reaches are not influenced by the effect of any specific answer on policy decisions. While we might select questions to answer on the basis of their importance to policy-makers, we must not let their effects on policy choices influence us in assigning likelihoods to specific answers. The people with whom we were dealing in the SAM upgrade debate were not a part of the intelligence community. They were primarily interested in policy choices. Thus, the policy impact of a specific answer gave that answer great importance even when the possibility of its being right was low. So long as a possibility of SAM upgrade could be "demonstrated," its possible effects on our national security were large enough to require that it be taken seriously.

A number of these people were among the Agency's severest critics. They criticized the Agency primarily because of its "arrogant refusal" to do more than provide its conclusions on such intelligence questions as the likelihood of the SA-5 system's having an ABM role. It was not that they believed the Agency's conclusions were wrong. They would frequently admit—at least, in private—that they probably reflected the greatest likelihood. What they did object to was our alleged unwillingness to consider or explicitly treat other possibilities than those we had settled upon as being most likely. Often these possibilities posed threats that were so significant that to ignore them even if their likelihood was low was to stultify the policy-making process. This argument has validity only if there remains some real probability that such fears may come to pass. Does the intelligence community have a responsibility to establish the extent of that probability in each case? It is often a very difficult thing to do. Or are these "possibilities" so obviously just apparitions produced by the "dark lantern" of the defense technologists' spirits that they would best be dismissed out of hand?

I believe they deserve our serious attention. At least in the case of the SAM upgrade hypothesis, I am convinced that it was proper that our policy makers, faced with the decision of whether to take it seriously, were armed with all the analysis and consideration of the problem we could muster. Thus, I think the Agency deserved good marks for effectively taking a lead in seriously addressing the feasibility and likelihood of a development it almost automatically found repugnant. The technical intelligence analysis that was done did much to satisfy the complaints of the Agency's critics. Indeed, a search for acerbic criticism about its performance from former protagonists in order to enliven this paper

was a generally unrewarding attempt. The results showed that once the Agency became willing to discuss what *might* be rather than just what it believed was true, these critics found the Agency's performance impressive and responsive to their concerns. All felt that the Agency's position throughout the debate was objective, and those on both sides of the debate rapidly turned to the Agency for support in furthering some piece of the argument. Beyond that, we provided technical information on the weapons systems involved that was authoritative enough so that it was never challenged by proponents of either side.

There is, of course, another question of how much damage was done by taking all this seriously. Clearly, possibilities of SAM upgrade affected the SALT discussion and U.S. proposals. The fact that the many initial collateral constraints concerned with SAM upgrade could be dropped throughout the course of the negotiations is in large measure a result of the full and detailed airing of the threat it posed and the possibility that the Soviets might play the upgrade game. In the last analysis, the SAM upgrade debate led to a far more enlightened set of negotiations on arms control than might otherwise have been the case and did not in any significant way limit the extent of arms control that was achieved.

Having said all this, the technical intelligence analysts failed to do some important things. They failed to solve the most critical question in their domain, namely: the quality of defense that could be provided. To date, this problem remains unsolved. We need to know how to treat such matters. Something can be done in this regard but will probably involve a far more perceptive consideration of human contributions to weapons system effectiveness and a better understanding of weapon system performance in the midst of nuclear war than have been employed heretofore. In defense of the technical analysts on the latter point, a summer study performed by the Jason Panel, a group of the country's top physicists working for the Defense Advanced Research Projects Agency, noted that the effectiveness of the SA-2 could probably not be determined until "a few well-instrumented nuclear wars" had been fought.

Most important, the intelligence community went into the whole problem in very bad shape as a result of its inability to cope with the SA-5 problem. Its general credibility and its ability to assure the verification of treaty compliance were brought into doubt by its inability at that time to answer the critical questions about this system. Harder and more explicit analysis of the problems the Soviets would encounter in trying to accomplish a SAM upgrade program, and the probabilities of their successfully cheating, would have strengthened our position on the verification matter.

Our performance would have been improved had we worked both the technical feasibility and the likelihood parts of the problem more nearly together. The strategic analysts were right in insisting that the likelihood of the Soviets adopting the scheme was the ultimate question, but they might have been more sensitive to the fact that that likelihood depended heavily upon whether or not it would work. But we would have benefited from the more serious considerations of the non-technical factors as well. A set of "organizational constraints on breaching" an arms limitation agreement would plague any bureaucracy deciding upon and implementing such a decision. The nature and strength of such

constraints are powerful considerations that bear directly on this argument. A good discussion of these is given in Abram Chayes' "An Inquiry into the Workings of Arms Control Agreements." * Such considerations were never brought forth in a systematic, organized way as part of the SAM upgrade debate.

A Soviet View of the Matter

During the first phase of the SALT negotiations in Vienna, it was the practice for both sides to exchange formal presentations between heads of delegation three times a week. These meetings were held in alternate embassies Mondays, Wednesdays and Fridays. The principal delegates would solemnly face each other across a table with their advisers sitting behind, while the heads of delegation would read their statements interspersed with translation. After these formal meetings, the entire group would retire to vodka and caviar or bourbon and peanuts, as was appropriate, for informal discussion. It was during this phase of SALT that the SAM upgrade problem first arose. The Soviets were absolutely horrified. They appeared to have no doubts that we had a bad "dark lantern" problem. Professor Aleksandr Shchukin, a tall, gentle-mannered academician of great scientific presence, noted to Paul Nitze, with agony on his face, that one thing he really did know something about was the terrible problem of making an ABM defense work, and he could assure us that you could not do the job with air defenses. The U.S. delegation, as instructed, continued to express its concern about the possibility of SAM upgrade and to seek inclusion of measures that would preclude it.

On June 19, 1970, the meeting was held in the American Embassy. SAM upgrade was mentioned in the Soviet presentation as an extraneous matter the U.S. was introducing to complicate the negotiations. Subsequent to the formal meeting, drinks in hand, informal discussions were going on in a number of groups scattered about a sitting room in the Embassy. In one such group, Lt. General Royal Allison of our Air Force was conferring with Col. General N. M. Alekseyev and Col. General A. A. Gryzlov, both of the Soviet General Staff, and Minister P. S. Pleshakov of the Ministry of the Radio Industry on the matter of SAM upgrade. Pleshakov (whose ministry had built the Soviets' huge ABM radars) was arguing that SAM upgrade was not feasible. Allison countered by insisting that if this were so the Soviets should have no objections to accepting a prohibition on SAM upgrade. The Soviets insisted that since it was not feasible no prohibition was necessary. Allison pointed out that he wasn't so sure it couldn't be done and finally called upon the Soviets to tell us in forthright fashion about the capabilities of the Tallinn (SA-5) system if they really wanted to allay our fears about this matter. The Soviet generals were tough birds. Gryzlov, a former head of the GRU, not only looked like a horror-movie principal but hovered in the background much as a military conscience to the delegation. The Soviets had said almost nothing about their weapons and had taken pleasure in our obvious discomfiture about the SA-5. The Soviets continued to evade but Allison persisted. Alekseyev, the senior military delegate then in Vienna, at long last shot a look at Gryzlov, gulped visibly, and answered that the Tallinn System was

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an air defense system like Nike—Hercules or Hawk, and that if it were to be used in an ABM role, virtually all its components, including missile and radar, would have to be replaced. Standing on the edges of this conversation, I somehow saw a whole life of battles about the capabilities of the SA-5 system and the possibilities of SAM upgrade flash before my eyes. Though I returned to further battles on both issues, I somehow felt more relaxed about it all.



Lawrence R. Houston receives National Security Medal
from DCI William E. Colby

'Father of intelligence law'

LAWRENCE R. HOUSTON

Lawrence R. Houston, former General Counsel of CIA, received the National Security Medal and the Agency's Distinguished Intelligence Medal in a ceremony on 1 February 1957. The National Security Medal, awarded by the President of the United States, has been awarded only 16 times since its inception in 1953 by President Truman. It recognizes distinguished achievement or outstanding contributions—on or after 26 July 1947—in the field of intelligence relating to the national security.

Mr. Houston served in Cairo with OSS, returned to Washington to act as General Counsel for the successor organizations SSU and CIG, and in 1947 became CIA's first General Counsel and its only one until his retirement in 1973. He has served as a member of the Editorial Board of *Studies in Intelligence* since its inception in July 1957, and continues in that capacity in retirement.

The citation accompanying his National Security Medal commented:

Mr. Houston first dedicated himself to the service of the United States Government when he left the practice of law in 1943 to enlist in the United States Army. After being commissioned in the Army Judge Advocate General's Corps, he was assigned to the Office of Strategic Services and served with distinction in the Mediterranean theater of operations for OSS.

Perceiving the looming threat to the United States, he became the legal architect of the Central Intelligence Agency as the principal drafter of the legislation which established the Agency. Throughout the ensuing years, Mr. Houston practiced simultaneously the two professions of law and intelligence.

As the Agency's first and only General Counsel, his deep devotion to duty has been the companion of integrity, imagination, and flexibility. His advice has been sought by all Directors of Central Intelligence. His enormous contribution to the Agency and to our country will endure as testimony of his unique capacity to meet the high challenge of serving the national interest. Throughout his career, Mr. Houston's contributions to the foreign intelligence effort of our nation reflect credit upon himself and uphold the finest tradition of the Federal service.

The citation for the accompanying award of the CIA Distinguished Intelligence Medal said:

Mr. Lawrence R. Houston is hereby awarded the Distinguished Intelligence Medal in recognition of his outstanding achievement with the Agency since its establishment in 1947. As this Agency's first and only General Counsel, Mr. Houston has practiced two professions simultaneously: intelligence and the law. Through the quality of his performance in each, the Agency has gained immeasurably while the

government as a whole has been a beneficiary. Mr. Houston, with his devotion and thorough dedication, has been a key advisor to Directors of Central Intelligence. His record remains as witness to his expertise, to his character, and to his superlative capacity in responding to the challenges of our national security. Mr. Houston's entire career exemplifies the highest professionalism and reflects great credit on him, constituting an immeasurable contribution to the Central Intelligence Agency and the United States Government.

In his remarks, Mr. Houston indicated that this was all the culmination of a clerical boner in war-time army administrative channels.

Turned down as a volunteer because of eyesight limitations, he was subsequently drafted and sent to basic finance school at Fort Benjamin Harrison. There he learned that waivers were being granted on eyesight limitation for the Judge Advocate General School, and he applied for Officer Candidate School. Nothing happened. Meanwhile, he missed one class at basic finance school because of pneumonia, entered and completed a second, and still remained unassigned because of "a great snafu in the administration of the finance school, which led to an IG investigation and a complete reorganization of the school." Pending the reorganization, Houston's class and two subsequent classes were placed in a casual company and kept for chores at Fort Ben Harrison.

Ultimately, he was assigned to company headquarters as a file clerk, and discovered that his original application for OCS had fallen behind a partition in a drawer and had never been acted on. He resubmitted it, and it went through quickly.

Without the snafu, Houston would have graduated from JAG school several months earlier. The class in which he did graduate, however, was the first from which the Office of Strategic Services was allowed to draw personnel, and Houston was one of three members of the class assigned to OSS.

He went on to describe the struggle for a centralized intelligence agency during the immediate post-war years:

At this time there was a bitter fight for the mere existence of the concept of central intelligence. The State Department, because of the impact on foreign policy, thought they ought to be the intelligence control. The military thought they were the pros in the field and that they ought to control it, because it was basically a military matter. I don't know how many of you remember the work of the Lovett Committee in December of '45, which, after bitter debate for weeks, got acceptance of the concept of a central intelligence entity as an independent function. There was still a long way to go. But again I wonder how many people now working for the Agency remember the first Director of Central Intelligence, Rear Adm. Sydney W. Souers, who drafted the directive of January 22, 1946 that set up the Central Intelligence Group. CIG was technically illegal. You cannot have an operating agency going on for more than a year without a statutory basis.

So John Warner—who was then my deputy and who, I am delighted to say, has succeeded me—and I started working on the legislation [for the Agency], taking both the Donovan concepts, which were

put into the Souers paper, and then our experience with all the problems arising in OSS for the administrative and similar authorities. I think John will agree with me that I would hate to go down and try to get those authorities on a fresh start in this current age. They are quite unusual, and we had tremendous support at the time. With Walter Pforzheimer's fast footwork [as Legislative Counsel] on some of the Committee members, we came through intact.

Even then we were not properly organized. For years the fight went on in the intelligence community as to the exact role of the Director. A number of the members of the intelligence community in those days felt that he should be just one among equals, a sort of Board of Directors concept. We were quite convinced that this was not the intent of Congress, and through months and years of drafted directives and so forth we kept to this concept that he had a position of preeminence, responsible directly to the National Security Council. But it wasn't really until the mid-'50s that this concept was thoroughly accepted. . . .

So what's the lesson from all this background, which had its difficult moments but which was at all times interesting and for the most part enjoyable? Well, the lesson is the people who took part in it. OSS had all kinds of people. It had genuine heroes, it had outstanding academicians, it had princes and professional wrestlers and a few bums. CIA has not been so flamboyant, but in my opinion it has been perhaps the best combination of intellectual ability, imagination, dedication, and integrity ever put together. I'm very proud to have been part of this group. I knew a great many of them, I've worked with a great many of them, and I believe that those standards have been demonstrated again and again. If we can maintain those standards, the Agency and the country will be well served.

In presenting the awards on behalf of President Nixon and of the Agency, DCI William E. Colby remarked:

There is one complication to the [National Security Medal] award today because the award is for services on or after July 26, 1947, and Mr. Houston's contributions to intelligence began a number of years before that. He is, like a number of us, a veteran of OSS. He served overseas for OSS in Cairo, and then he returned here and stayed in the intelligence business when many of us drifted off into other activities for a time. He was one of that small band who committed their lives to national intelligence during World War II, and who kept that activity alive during some very tough days of the postwar era when America thought for a couple of years that maybe it didn't really need intelligence any more . . . In that small band . . . Mr. Houston took upon himself the particular job of producing a legal basis for American intelligence.

During the period in which he was General Counsel of the SSU and the CIG, he started writing the basic law which established this Agency. That law was passed on July 26, 1947, but his work on it pre-

ceded that a great deal. His work at that time, although he was a fairly young man, required a great understanding of the needs of American intelligence, and of the necessity that American intelligence fit new kinds of standards to fit within American society. And therefore the law is adjusted to our American society and it establishes American intelligence and the CIA as a public institution, one which is known to everyone, one whose Director is known to everyone, as distinct from some countries in which it either is or is supposed to be a secret. It also establishes that American intelligence is under the control of the senior levels of our government—the National Security Council, and the President—and makes it very clear that we are not going to have an intelligence service that goes off on its own. It puts certain limitations on American intelligence—that it will not have any law enforcement or police powers or internal security functions, in line with American tradition that in our country these are powers that should not be associated with an organization for foreign intelligence. And it also, in a number of other respects, provides for continuing Congressional review and annual appropriations, so that the activities of this Agency will be subjected to scrutiny by the representatives of the people of the United States, from whom all our authority stems.

The law as passed, then, was quite a triumph in its description of the need for an intelligence agency and the role it is to play in American society, and Larry Houston is the basic author of it, even though a few Senators and Congressmen had a little bit to do with a few of the words.

But that was not the end in the initiation of new law in this new field of American intelligence law. . . . Certain additional arrangements were necessary. . . . There had to be arrangements for secrecy. Our normal legislation requires that all employees be open, and that our records be available for scrutiny by any member of the Congress, and so forth, and it was impossible to run an intelligence service if this was going to be the situation. So Mr. Houston produced, for instance, the CIA law of 1949, which gave the Director certain authority to certify the expenditure of money without the normal review that is given to regular appropriations; gave the Director authority to terminate the employment of individuals when in his judgment it is in the interests of the security of the United States, without the normal appeals and open review. If we were going to keep our identities and our activities secret, we could not subject them to normal open appearances throughout the land.

He put together several other laws . . . the CIA Retirement Act of 1964, for instance, . . . and one remarkable piece of legislation that established not only some new law and statute, but seemed to establish recognition of a Constitutional principle. . . . The law is known as the Wiretap Bill, and says that nothing in the bill shall limit the Constitutional power of the President to take such measures as he deems necessary to obtain foreign intelligence information deemed essential to the security of the United States. . . .

So Mr. Houston has not only been creating these laws and getting them passed through Congress, but he is also expressing some of our Constitutional principles and making clear the relationship between them and the necessities of our intelligence business. . . .

Over the years of Mr. Houston's activities as our General Counsel, CIA has been involved in a number of legal contests in the courts. He has a very good record of winning these cases, and establishing through these cases some very significant points of law and even of Constitutional doctrine, so that aside from his contribution as an originator of law, he has also proved himself well able to manage the natural conflict that laws are designed to manage and control—contests which themselves also make law by the decisions reached and judgments expressed by the judges in the process. . . .

What Mr. Houston really is, is the father of intelligence law.

Interagency Gamesmanship

**CONFESSIONS OF A
FORMER USIB COMMITTEE CHAIRMAN**

David S. Brandwein

To many people the word "committee" triggers a reaction which ranges between revulsion and displeasure. Within the intelligence community, the likeliest targets for committee-haters are the USIB committees. Typically, criticisms laid against them are that their judgments tend to be waffled, they don't respond quickly to urgent tasks, and they don't come up with imaginative solutions to difficult problems. Hardly a year goes by without a fresh study by a high-level official or group of the "problem" of some or all of the USIB committees. Usually the objective of these studies is to improve the committees' effectiveness through reorganization and reallocation of functions. Actually, changes have been few and far between, and for the most part the committees have proved to be very durable. One cannot escape the conclusion that they must do some good, and that we have as yet not figured out how to come up with a better scheme for ventilating interagency problems and for achieving coordination on them.

Surprisingly, the reproaches visited on the USIB committees are seldom reflected back to their parent body, the USIB. One might say this stems from a natural reticence in openly criticizing the boss. But there is more to it than that. One needs to look at the people who make up the USIB, and then look at the people who staff the USIB committees. The USIB principals on the one hand are the top officials of large organizations. It can be assumed that they have reached these prestigious positions through a process of natural selection which rewards those individuals who combine a high order of intelligence, stamina, and dynamism. On the other hand, it is sad but true that the USIB principals have sometimes chosen mediocrities to represent them on the committees. The message here is that one cannot examine the USIB committees as abstract organizations. The caliber of the people involved is at least as important.

The foregoing is to introduce my subject, the committees. I propose to describe the inner workings of two USIB committees from the vantage point of the chairman—how they are staffed, what things they do, how they do them, and how they might be improved. Because this presentation is based mostly on my own experiences as chairman of two different committees—the Guided Missile and Astronautics Intelligence Committee (GMAIC) and the SIGINT Committee—it is probably more subjective than it is objective.

I Become a USIB Committee Chairman

My first deep involvement in the world of USIB committees was in November 1968, when I became Chairman of GMAIC. I had lobbied for the job, partly because of the attraction of the prestige attached to it. I served as Chairman of GMAIC until the summer of 1972, when I was asked to chair the SIGINT

Committee, a job which I held until April 1973. The bloom was well off the rose by 1972, and my acceptance of the SIGINT job was not characterized by the same enthusiasm which I felt in 1968. Nevertheless, the experience was broadening, because the two committees concentrate on different aspects of intelligence. GMAIC is concerned primarily with the production of intelligence on guided missiles, while the SIGINT Committee is oriented towards collection tasking for certain forms of raw intelligence data—SIGINT, ELINT, and telemetry. Because my exposure to GMAIC was much more prolonged than that on the SIGINT Committee, the larger part of the discussion which follows relates to GMAIC.

One of the first things I did after I became Chairman of GMAIC was to study the committee's charter. There I saw that "GMAIC shall coordinate guided missile and astronautics intelligence production activities of the government." Here was not just prestige, but power! But it didn't take too long to realize that in spite of all those fine words in the charter, my real responsibility was quite limited. I could bark a lot, but biting was not allowed.

Actually, this lack of authority should not have been surprising. Each member of the committee was in the pay of a different agency or department of the government. He looked to his own organization for direction and career development. His work on the committee was usually a collateral assignment, not to be confused with his *real* job. Even the CIA member could take issue with the chairman, and indeed he sometimes did so. In the face of such nonexistent command authority, it was really remarkable that a respectable amount of positive work was in fact done by the USIB committees.

People

Theoretically, each USIB committee has members representing the same organizations as are in the USIB. Actually, there are differences. In the case of GMAIC, the members for each of the service intelligence agencies are voting members, whereas in USIB, the service representatives are observers. (As chairman, I soon discovered that on issues brought to a vote, the service members tended to follow DIA's lead, but that if they were asked to vote before the DIA man, they tended to vote more independently. The seating around the table, going clockwise, was always Army, Navy, Air Force, DIA, CIA, State and NSA. Therefore I always took votes clockwise.) GMAIC also had a man from the National Aeronautics and Space Administration as a non-voting participant. The SIGINT Committee also had voting service members, and a representative of the National Reconnaissance Office as a non-voting participant.

Since the AEC and the FBI are members of the USIB, they exercised their prerogatives and named individuals to the committees. But neither the AEC nor the FBI man ever attended a meeting. And it was the sensible thing for them to do, because we almost never had items on our agenda which involved them. (Toward the end of my tenure as GMAIC Chairman, I did get to meet the AEC member—the committee sponsored a junket to Charleston, South Carolina, to see Polaris and Poseidon missiles and the submarines which carry them. The AEC man "activated" his membership temporarily, and joined us on the trip. He turned out to be a likable person, and took the ribbing he received from the other junketeers with good grace. But we never saw him again.)

To paraphrase Orwell, all members of the committee were equal, but some were more equal than others. The kind of representation differed dramatically from one organization to another. Some were senior officials with easy access to their USIB principal and commensurate authority, but others were very junior officers who were primarily note-takers and message-passers. Some organizations were represented by men who had been on the committee for more than a decade, but other organizations chose to rotate the membership at frequent intervals. It is also unfortunately true that sometimes totally unqualified individuals with no prior experience in the intelligence business were assigned to the committee. All of this made for a mixed bag. At no time was there a true team effort encompassing the whole group. On the other hand, it would be fair to say the quotient of intelligent, informed, and active members was always high enough to permit the committee to discharge its responsibilities reasonably well.

The caliber of the secretariat for a committee probably is as important to the success or failure of a committee's efforts as the capability of the chairman to lead or the quality of the membership. This was particularly true in my case. Running the USIB committees was a part-time job for me, and having a capable person who could spend as much time as was needed to do all the staff work connected with committee affairs was indispensable.

GMAIC

The main work of GMAIC is to produce intelligence, and within this category the key job is to make inputs to the national estimates devoted to strategic, military, and technical matters. For many years now, these estimates have gone along two tracks. First, each USIB member agency is free to send its own estimate input to the drafting team assigned to an estimate. Second, GMAIC can provide its own estimate input to the drafting team. There is an apparent redundancy here, but it seems worse than it is. This is because GMAIC does not write a complete estimate; rather, it tries to identify those areas within the estimate where there are likely to be different judgments. It examines the evidence and tries to resolve the differences, or failing that, it tries to describe their nature as lucidly as possible.

Within GMAIC, the actual work on estimates is done in standing subcommittees devoted to particular substantive areas—Soviet offensive weapons, space, ABMs, etc. In these subcommittees, called working groups, the issues are discussed and documented by working level analysts. This interchange at the working level is, I think, the best way to achieve interagency coordination on intelligence production. Granted, there are many issues which fail to be resolved. But even in those cases the fact that there is a difference is disclosed early in the estimate process. The specialists who are most familiar with the intelligence data have a chance to determine if all parties worked with the same data and how the various analytical groups came to differing conclusions.

If the above process works properly, then by the time the representatives of the USIB principals meet to consider a draft estimate, confusion is minimized, and the task of preparing the estimate for submission to the USIB principals is made easier. Of course, sometimes the system doesn't work properly. Data may arrive too late for incorporation at the early draft phase, or a senior official may

choose to change an estimate judgment at the 11th hour, for reasons which may have very little to do with intelligence. An interagency committee like GMAIC can do little in such situations—perhaps the new system of National Intelligence Officers will be effective in handling such last-minute panics more smoothly.

Collection requirements also absorb a fair part of GMAIC's time, in two ways. First, GMAIC is called on to identify intelligence gaps and to suggest collection efforts which might fill them; and, second, it is asked to evaluate the contribution of various ongoing collection programs to the solution of its problems.

The tasks undertaken run the whole gamut from trivial ones to those having a major impact on the country's collection efforts. For example, described below is the committee's response to the Soviet ABM problem. Because of a poor collection posture, there was in the mid-60's great uncertainty as to whether a particular major new Soviet development program was for an ABM or for an air defense missile. Resolution of this uncertainty was desperately needed by U.S. defense planners, and later on by our SALT negotiators. USIB asked GMAIC to study the problem and to recommend new collection programs to fill the gap. The committee did so, using not only its own resources but consultants drawn from outside. It delivered an exhaustive report containing a number of recommendations for collection, some of them with very major cost impact.

There followed in the late 60's a burgeoning of expensive collection programs whose primary rationale was the Soviet ABM problem. All this didn't happen just because of the GMAIC report—the whole community was by then sensitized to the ABM problem and there was a general consensus that something had to be done. But the GMAIC report was at least the key document used by managers of the new collection programs to justify their systems to the budget people.

Multi-million-dollar technical collection programs take many years to go from the design concept stage to an operational system, and by the time they were in use, the ABM/Air Defense Missile question they were intended to shed light on had pretty well been answered by less exotic methods. And, as it turned out, the community wound up in the 70's with a capability to collect data on second-generation ABMs and on new air defense systems which was infinitely superior to the collection posture a decade before. But one can question whether the money was well spent. A case can be made that GMAIC delivered up collection recommendations with not enough regard to their cost impact, and that in their panic to do something about the ABM problem the collection system managers brought out some systems of questionable cost-effectiveness.

In addition to its work on estimates and collection problems, there are many lesser matters which require the committee's attention. For example, GMAIC provides the mechanism by which the U.S. exchanges missile and space intelligence with [redacted] This is done through periodic working-level meetings on a variety of subjects. The scheduling of the meetings is done by a three-member steering group consisting of the GMAIC Chairman and his counterparts from [redacted]

These international meetings are a tender topic. There is no denying the fact that because of the huge size of the U.S. intelligence community compared to that of [redacted] it is unlikely that in any exchange we will get as much as we give. For this reason it has been easy for people

to snipe at the meetings by suggesting that their primary benefit is the chance for the participants to get trips [redacted] at the government's expense.

25X1

But I believe that an objective study would show that the U.S. is ahead of the game. Keeping [redacted] analysts informed of activities here allows them to channel their work into more productive areas. And, in spite of the small size of [redacted] intelligence groups, they keep coming up with nuggets in the form of new unique analysis which have been very helpful to us.

25X1

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On the ludicrous side, I came to dread those sessions devoted to nomenclature. Most people are unaware that GMAIC is the authority responsible for naming such beauties as the SS-X-18 ICBM. In the example given, it stands for the 18th surface-to-surface ballistic missile system brought out by the Soviets, with the "X" signifying that the program is still in the experimental test phase. Sounds simple, doesn't it? But I remember very well the interminable wrangling we got into the day we decided to attach names such as CSS-1, CSS-2, etc., to Chinese missiles. One member concluded we were obliged to rename all the *Soviet* missiles SSS-1, SSS-2, etc. Another member wanted CCSS-1 and CCSS-2, so that it would be clear that they were *Communist* Chinese missiles and not those owned by the Nationalist Chinese. The problem here was compounded by the fact that even the committee members who were ordinarily passive at our meetings became instant and vociferous experts when it came to choosing names for missiles.

So much for GMAIC's activities—not a complete catalog, but rather a representative sampling. The time involved in these affairs was usually a half-day a week for the meeting itself, and perhaps another eight hours a week devoted to committee-connected matters. It was time worth spending, not only to discharge the statutory responsibilities of the committee, but for some intangible benefits as well. The intangible benefits derived from the fact that the committee provided a fairly informal but systematic mechanism for passing information on and raising questions about missile and space intelligence across agency boundaries, at a number of levels in the hierarchies of these agencies. This observation is equally true for the SIGINT Committee and I suppose the other USIB committees as well. Given the present structure of the intelligence community, composed as it is of a group of autonomous agencies, it is hard to visualize how else inter-agency coordination and information exchange can take place except through committees such as USIB's.

The SIGINT Committee

The work of the SIGINT Committee is devoted primarily to providing guidance to SIGINT collectors. Some of the other things the committee concerns itself with are the evaluation of collection programs, sanitization and decontrol problems, and recommending policies for cooperative SIGINT collection programs by other countries. The greatest share of the time is devoted to communications intelligence (COMINT). In fact, in its early years, virtually all SIGINT collection was COMINT. This situation has changed with time, so that nowadays collection of emissions from foreign radars (ELINT) and foreign instrumentation signals (primarily telemetry) have become equally important.

SECRET

USIB Committees

Looking at the work content of the SIGINT Committee is not the whole story, because one needs to understand the environment in which these affairs are conducted. The National Security Agency (NSA) is a huge organization, and it is singularly preoccupied with the collection and processing of SIGINT. The NSA member represents a production organization, while the other members represent user organizations. NSA, for the most part, tries to avoid explicit direction of its work. It prefers to get tasking in the most general terms possible. The users—State, CIA, DIA, and the Services—would like to be as restrictive as possible, and tend to write tasking documents in great detail. There results a tug-of-war between NSA and the other members over many of the issues discussed in the committee. Usually the committee resolves the issue by doing that which committees do best—finding a compromise solution acceptable to both sides.

There is a similar relationship between the representative of NRO and the committee members. NRO is a huge organization, too—not in numbers of people, but in the fact that it exercises great control over a large share of the intelligence budget. Overhead sensors used to collect SIGINT are procured with money doled out by NRO to the agencies managing the particular sensor programs. There results a different sort of tug-of-war, in which NRO tries to get the committee to specify requirements for SIGINT data in general terms. But the user organizations would like to know *how* NRO proposes to satisfy their requirements, and in so doing inevitably get involved in the details of the design and capabilities of the satellite collectors. Some of the committee members represent both user groups and satellite project management teams, and this causes additional trauma.

One of the most difficult documents for the committee to get out is its annual statement to the USIB of the 5-year guidance for the SIGINT portion of the national reconnaissance program. There is no requirement that the 5-year guidance take into account the availability of funds to satisfy the requirement, and if the committee chose to be completely irresponsible, it would merely put out a "wish list" of all the things it would be nice to get. Fortunately, the committee has tried to inject some realism into the process, by doing such things as putting requirements in priority order, identifying those requirements whose satisfaction would result in changes in the national reconnaissance program, and estimating their cost impact. Even so, the process is not without defects. It has not been possible so far to interleave COMINT, ELINT and telemetry needs into a single priority list. This makes for great difficulty for those who have to make choices between costly overhead collection sensors which specialize in one or another form of SIGINT.

An even more fundamental problem is the one alluded to earlier, the lack of a system for matching the value of intelligence to the cost of its collection. The SIGINT Committee, in doing the 5-year guidance, has problems in making authoritative choices of the most cost-effective programs. It must screen proposed requirements collected from analytic organizations, and it has no guarantee that they have been submitted with a consciousness of their cost impact. The degree to which the final document is useful to the policy level therefore is very dependent on the maturity and good judgment of the committee members.

SECRET

Why Not Do Away with the USIB Committees?

Alvin Toffler in his book *Future Shock* concludes that bureaucracy is on the way out, and is being replaced by management by "adhocracy." Similarly, it has been said that the USIB committees should be abolished and the work be done instead by *ad hoc* committees convened to handle specific problems. There is a certain attraction to the idea. In recruiting people to serve on an *ad hoc* committee, care could be taken to see to it that each individual had the necessary expertise to contribute to the issue in question. Also, agencies having no interest in the issue would not be burdened to provide representation.

It is probably true that we are likely to see *ad hoc* committees used more and more as time goes on. They should be particularly useful for tackling major issues on which the community is split. I also believe, however, that there will always be a need for standing committees like GMAIC and the SIGINT Committee. I submit that there are a number of positive aspects to these committees which are often overlooked, as follows:

1. A useful mechanism is provided for passing information on particular topics across agency boundaries, and at all levels.

2. A wide variety of problems which range from trivial to moderately important are handled routinely. In general a standing committee provides a more effective way to handle these problems than does the creation of a fresh *ad hoc* group to deal with each new problem.

3. Ready access is provided for user organizations to air their particular concerns. Conversely, the matters being discussed in committee are routinely reported back to the user organizations who thereby have a chance to object to actions with which they disagree. Both ways, a mechanism exists to keep things from falling between the stools.

4. The USIB committees have an institutional history which provides a useful background against which to view incoming action items. Members of *ad hoc* groups run the risk of not knowing how related issues were dealt with in the past.

Another way to look at the performance of the USIB committees is to focus on the really egregious problems. From my vantage point, the issue which has plagued the community for years is the problem of getting better collection and processing of radar and optical data from missile reentries in the Pacific. Others have told me that the community's approach to the problems of narcotics and terrorism has been chaotic. The thing these subjects all have in common is that none of them are within the charter of any existing USIB committee. What this says is that however poorly the committees perform, in those areas where there are no committees, things are worse.

What Should Be Done to Improve the Committees?

I think that the key to more effective work by the USIB committees lies in improving the quality of the representation. Ideally, each agency should pick representatives who are senior enough to have a good rapport with their principal in the USIB, and who are expert in the affairs under study by the com-

mittee. If this were done, it would follow that the men on the committees would be representatives in fact as well as in name, and many issues could be resolved in the committees without recourse to the USIB itself.

Also, I believe that wherever possible the members ought to be people whose regular jobs are in line organizations. Obviously, full-time members could devote more time to committee affairs, but this advantage is outweighed (at least in my mind) by the bureaucratization which would take place with a committee composed of members with no other jobs.

It is clear that the future should also see changes in the responsibilities of the committees themselves. It seems logical that the SIGINT Committee and others concerned with collection will evolve into bodies having closer links to the Intelligence Community Staff and the Intelligence Resources Advisory Committee. Similarly, GMAIC and the other committees concerned with substantive intelligence should evolve into bodies more capable of assisting the National Intelligence Officers. Stress should be placed on the word "evolve." I believe it would be a mistake to wipe out the existing committee structure and replace it with an entirely new one. The losses which would follow from ripping out all the present wiring might be a good deal more severe than would be obvious to the casual observer.

INTELLIGENCE IN RECENT PUBLIC LITERATURE

SOVIET CONQUEST FROM SPACE. By *Peter N. James*. (Arlington House Publishers, New Rochelle, N.Y., 1974. 256 pp.)

Soviet Conquest from Space presents an assessment of the Soviet aerospace threat—an assessment by a man who apparently is embittered and frustrated with his previous aerospace and intelligence experiences. Throughout the book, Mr. James interweaves factual information with half truths, misinformation, and personal interpretations. And he attempts to create the impression that all is based on confirmed, hard intelligence collected and analyzed by a one-man intelligence community: Mr. James.

The early chapters deal with the Soviet organizations—the rulers, the espionage establishments, the science and technology organizations, and the military-industrial complex. Much of this information is accurate. It includes descriptions of the interrelationships among the various Soviet organizations, however, which appear to be more definitive than any available to the established intelligence community. He goes to great lengths here and in later chapters to point out how efficient the Soviet system is; how thorough, imaginative, and coordinated their program plans are; and how well the programs are managed. The great efficiency and experience factors claimed for the Soviets by Mr. James, however, do not show in their space programs. Most new Soviet systems initially go through a disastrous series of failures. They seem repeatedly to make the same mistakes, yet Mr. James conveniently ignores or is unaware of this fact.

In his discussion of the Soviet rocket engines, propellants, and boosters for spacecraft systems, the author, with reasonable accuracy, presents the characteristics of several selected older and more commonly recognized systems. His credibility is shattered, however, in the description of new systems.

Mr. James frequently cites information which he claims has been obtained personally from Soviet scientists and the KGB. This information is used to describe in detail the Soviet space shuttle, reusable orbit-to-orbit spacecraft, and a variety of space station programs. There is little doubt that the Soviets have ambitious plans in all of these areas and that they will exploit space to the fullest for military, political and economic advantages. Much of Mr. James' intimate knowledge is based on misinterpretation and exaggeration, however, and appears to be largely self-generated.

Throughout the book, Mr. James is critical of the U.S. system, the inefficiency, the lack of long-range planning, the use of overly complex systems, the reluctance to commit adequate funding for space and defense programs. On the other hand, he glorifies the Soviet approach. It is recognized that the Soviets already do present and, with increasing efforts in the future, will continue to present a formidable threat to the free world with their missile and space systems as indicated by Mr. James. But the information and methods used to convey his concern are misleading.

RICHARD L. BACHMAN

SECRET SENTRIES IN SPACE. By *Philip J. Klass*. (Random House, New York, 1971. 236 pages.)

The aim of *Secret Sentries in Space* is to tell “. . . the story of the U.S. and Soviet reconnaissance-satellite programs, and their impact on world affairs.” Any hesitancy arising from the fact that many aspects of the U.S. reconnaissance program are still classified is quickly dismissed with the observation that “. . . while the Soviets are fully aware of the American reconnaissance-satellite program, and its effectiveness, the U.S. public has been denied even the barest details of the program by its own government.” Author Klass loses no time in attempting to correct this deficiency. The goal he has set would be an ambitious one even for someone having full access to classified information on the subject. It is to his credit, therefore, that even though he presumably lacks such access, Klass does manage to convey a good deal of the flavor and scope—if not the precise details—of satellite reconnaissance.

As senior avionics editor for *Aviation Week & Space Technology* magazine, Klass is perhaps as well suited to tell this story as anyone outside of government. He is a strong advocate of satellite reconnaissance, and he has clearly done a good deal of research on the subject. Nevertheless, *Sentries* still contains many defects of the sort already familiar to readers of *Aviation Week*. These defects arise when open sources are exhausted and the author resorts to educated guessing about the details of classified programs. This problem is compounded by the fact that Klass is not always careful to inform his readers when fact gives way to speculation. Thus, to the purist *Sentries* presents a frustrating amalgam of fact and fiction, the de-interleaving of which will not be attempted here.

Despite this drawback the book contains much to recommend it, for while specific details are sometimes wrong, the overall thrust of the book is generally quite accurate. Hence, for a reader who simply wants a non-technical explanation of what satellite reconnaissance is all about and how it evolved, *Sentries* would make a good starting point.

The early chapters of the book are especially well done. In them Klass effectively re-creates the tense international climate in which satellite reconnaissance was born. The years of the “missile gap,” the Berlin crisis, and the Cuban missile crisis are vividly recalled through quoted press headlines and speeches of the period. Carefully interwoven, of course, is a strong lesson on the important role of satellite reconnaissance in preserving world stability. By the end of the Cuban missile crisis “the automatons-in-orbit, adolescent as their performance was at that stage, had kept the two giant thermonuclear powers from bombing into World War III at least once, perhaps twice.”

Following this lively beginning, the book settles into a slightly tedious and inaccurate account of how satellite reconnaissance capabilities progressed from their humble beginnings to the sophisticated “Big Bird” of the 1970s. The book focuses most of its attention on photographic reconnaissance satellites, but there are short sections treating various other related satellite missions such as early warning, nuclear detection, and electronics intelligence, as well as other types of sensors such as infrared scanners, side-looking radars, and multispectral cameras. And as promised in the introduction, there are brief sections which provide a thumbnail sketch of the Soviet reconnaissance satellite effort.

As an attempt to cover the topic of a satellite reconnaissance thoroughly, *Sentries* falls considerably short of its mark. While this is dissatisfying from a literary standpoint, it is probably fortunate from a national security standpoint. A shortcoming apart from those already mentioned is its total failure to put satellite reconnaissance in its proper perspective as one of many different tools available to the intelligence analyst. Because of this, a casual reader would no doubt be left with the false impression that what cannot be learned through satellite reconnaissance cannot be learned at all.

In summary, the value of *Sentries* depends largely on the reader's needs and prior knowledge. The book is not especially comprehensive or authoritative, but it does provide a reasonably good introduction to the field of satellite reconnaissance.

JOHN C. N. SMITH

SOVIET STRATEGY FOR THE SEVENTIES: FROM COLD WAR TO PEACEFUL COEXISTENCE. By *Foy D. Kohler, Mose L. Harvey, Leon Coure, and Richard Sell*. (Center for Advanced International Studies, University of Miami, Fla., 1973. 241 pp. with index.)

Roger Seydoux, a former French Ambassador to Moscow has been quoted privately by a Western colleague as commenting, before leaving his Moscow post, that by far the greater part of his work there had consisted of attempting to correct prevailing misconceptions at home. The introductory overview which prefaces this book by a team headed by Ambassador Foy D. Kohler sounds the same plaintive note: a veritable chorus of prestigious Soviet spokesmen has made it abundantly clear that peaceful coexistence, the present basic Soviet strategy, concerns only state-to-state relations. Its primary purpose is to forestall policies and actions by capitalist states which would involve use of force or which might lead to nuclear war. They do not have in mind any modification of the anti-capitalist struggle, violent and non-violent. They reject any notion that respect for the Western powers' vital interests, or anything in the way of "live and let live," is implicit in this policy.

"Why, then, is there so little understanding in the West of this Soviet concept? . . . The simple fact is that few in the West have ever been willing to take the Soviet leadership at its word." Ambassador Kohler and his colleagues have come to the conclusion that the answer lies in the fact that a world outlook such as the Soviet leaders profess strikes Westerners as essentially irrational, and they refuse to believe that men capable of ruling a great modern state can in fact be irrational; hence a proclivity to recast the Soviets in one's own image—setting aside in the process all testimony from the Soviets themselves as ideological window dressing.

"Actually, and as most observers who have made a profession of Soviet affairs recognize, the members of the ruling hierarchy provide through their public utterances a substantially accurate picture of what they are up to and why, at least in a strategic sense. This is due to the requirement for uniformity that is so vital to the Soviet system. . . . The leadership must not only inform the officials and people of its policy 'lines such as peaceful coexistence, but also spell out their implications and limits lest they give rise to misinterpretations and thus to erroneous expectations, attitudes or behavior."

In a recent exercise in *kritika i samokritika*,* practicing Kremlinologist Professor Alexander Dallin (of the American School of that art) devotes some space to the distorting effects of the biases which prevail among his colleagues—and, by implication, in his own work. This reviewer has used the term "the American prism" in commenting on similar phenomena in the Agency's work. "Prejudices" would probably do equally well. The answer to this real and very vital problem is empathy, but this in turn requires the thorough preparation of the patient for the complicated surgical operation that empathe-emplacement represents.

In this book, the Kohler team undertakes to prepare the patient for the surgical insertion. It is not a book to keep by one's bedside for casual reading

* "Bias and Blunders in American Studies on the USSR," *Slavic Studies*, September 1973.

before dropping off. It is heavy going because the language of Communism was embalmed at about the same time Lenin's corpse was. But it is important because it is a serious, knowledgeable and empathic effort to tell *you* what they really have in mind for *us*. On the one hand, it unlimbers the bristles provoked by Khrushchev's "whistling shrimp" and "we'll bury you," because it puts them in their ideological/linguistic context, and on the other it lends special emphasis to the underlying significance of a report of a conversation not so many years ago between a Soviet functionary and a diplomatic representative of a neutral nation on the significance for the West of the burgeoning Sino-Soviet dispute: said the Soviet, "What are they gloating about? We are simply arguing about the best way to finish them off."

The Kohler book—why not call it that, it bears his stamp?—is in two basic parts. The second is documentation, which is thorough and as authoritative as it could be made. It is also thoroughly tied into the commentative text of the first part of the book, which it supports and amplifies. This reviewer, as a longtime footnote-ophobe and passionate hater of notes that are supernumerated in the text and buried in an impossible *apparatus* in the back, found the approach unirritating and even helpful.

The guts of the book is a very orderly, concise, and cogent analytic presentation of the case for the prosecution. Its avowed purpose is to warn against disbelief of what we have been more than adequately told, and to make sure that *they* know that *we* know what they intend. This is contained in an unprepossessing 95 pages of text, well organized and subdivided. It begins with Lenin's seizing upon the concept of "peaceful cohabitation" (he apparently never put the term "peaceful coexistence" to paper) as a tactic to gain time, and Stalin's cunning prosecution of the same concept as he needed it, up to the post-World War II decision by the "genial murderer of the people" * that it was a two-camp, irreconcilable world. After a brief interregnum, Khrushchev labored and brought forth de-Stalinization, a large element of which was "peaceful coexistence" and a master plan for the competitive victory of "socialism" throughout the world without the necessity of nuclear holocaust. Even violence became a *theoretical* unnecessary to the revolution. And most important, what for Lenin and Stalin had been a *tactic*, had now become a "strategy for struggle."

The "Year of the Rat" had not yet arrived, but the Chinese very quickly smelled one. In addition to some basic fumbles in Hungary and Poland, it became clear—as the Kohler team points out in its well-documented discussion of the "Khrushchev Revision" of Lenin's and Stalin's tactic—that the name of the game had become "let's you and us not fight, or even 'struggle,' but see who can win all the marbles in a game played largely by the rules." An oversimplification, to be sure, but the documentation makes it clear that "K" had indeed sold out world revolution for goulash and a long-shot bet on the industriousness of the ideologically motivated working class.

Exeunt Nikita et al., including some ill-advised missiles in Cuba. The Chinese demonstration, on the Indian border, of how to carry out an operation of this kind without losing all of one's faces, quite properly belongs in another book and is not treated in this one.

*Author Bert Brecht's name for Stalin after the 20th CPSU Congress in 1956.

A major virtue—the reader is enjoined to excuse the expression at this point in time—of this excellent publication is that it makes it unmistakably clear that the Khrushchev-vintage “peaceful coexistence” and the post-Khrushchev-vintage “peaceful coexistence” are not simply horses of a different color, but more along the lines of apples and bananas. In a sense, one might say that while Khrushchev banked on the ability of his system to pull together and outdo ours—given the absence of a major conflict—, the present leaders are banking on a growing *debility* of our system to give them a significant advantage which Khrushchev saw only as a future possibility. The *truce* of the Fifties and early Sixties, which was inherent in Khrushchev’s peaceful coexistence strategy, is no longer there. As is spelled out in Chapter IV of this book, the main objective of peaceful coexistence “as a form, instrument and strategy of struggle” is to put the West under unilateral constraints. *We* stop doing all those terrible things that capitalists and imperialists are congenitally condemned to do, and *they* continue to do everything and anything that will contribute to our downfall and their victory—except, of course, that we do not annihilate each other nuclearly.

There is an institution in this country called the “Farmer’s Almanac.” There was a time when it was relied upon most heavily by some of the most important people in our society. This is a book of that kind, and it should be read—nay, more than read—by those whose nagging and constant concern is: “What are they *really* up to?”

This book has prompted your reviewer to add one item to his wish-list for next Christmas: a book to help resolve the prejudices in our business against the acceptance of human source intelligence. What a quantum-jump *that* would be!

J. THOMAS DALE

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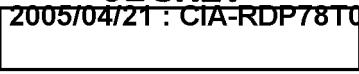
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An Essay on Origins

THE COORDINATOR OF INFORMATION AND BRITISH INTELLIGENCE

Thomas F. Troy

I. A PROBLEM OF ORIGINS

Wrestling philosophically with the question "What is time?", St. Augustine observed, in his *Confessions*: "If no one asks me, I know: if I wish to explain it to one that asks, I know not."¹ This insight into the problem of knowing is, perhaps, only slightly less applicable in the order of historical reality, in particular, to the origins of human organizations. The Who, Where, When, What, How, and Why of these developments are rarely as clear-cut and definitive as habitual knowledge would have them. Is this true of the Central Intelligence Agency?

It is generally accepted that the CIA, which was established in 1947, evolved, after the usual zigs and zags, from the wartime Office of Strategic Services. This, in turn, is generally known, at least to the older or more informed, to have replaced the Office of the Coordinator of Information (COI) on 13 June 1942. Still moving backward in time, it is accepted that COI was set up on 11 July 1941, as the result of a recommendation made to President Roosevelt by Colonel William J. ("Wild Bill") Donovan, which, in its own turn, was the outgrowth of two trips to London and the Middle East taken by Donovan in 1940-41. Finally, as with a firm grasp on the ultimate beginnings, the public knows that this sequence of events was initiated when Donovan was asked by the President, after the collapse of France and the British withdrawal from Dunkirk, to visit London in order to investigate the nature of the Fifth Column and to determine the ability of Britain to withstand the expected imminent assault of the Nazis on England.

This account of Donovan and the establishment of the Coordinator of Information has become a tradition within the CIA. With additional and, in some cases, only slight variations in details, it appears in the classified "Origins of Central Intelligence" by Arthur B. Darling and in such public works as *Sub Rosa* by Alsop and Braden, *The Secret Surrender* by Allen Dulles, and Lyman Kirkpatrick's *The Real CIA*.²

Yet few realize apparently that the British have a version of these same events which is significantly different although not necessarily contradictory. This

¹ St. Augustine, *Confessions*, Everyman's Library (London, 1942), p. 262.

² Arthur B. Darling, "Origins of Central Intelligence," *Studies in Intelligence*, VIII,* (Summer 1964), pp. 55-94. Stewart Alsop and Thomas Braden, *Sub Rosa: The OSS and American Espionage* (N.Y.: Harcourt, Brace, 2nd. ed., 1964), pp. 9-17. Allen Dulles, *The Secret Surrender* (N.Y.: Harper & Row, 1966), pp. 4-9. Lyman Kirkpatrick, *The Real CIA* (N.Y.: MacMillan, 1968), pp. 14-17.

version was put forth most fully by H. Montgomery Hyde in *The Quiet Canadian*, whose American edition is entitled *Room 3603*.³ This is the biography of William S. Stephenson, who was the chief of British intelligence in the United States during the war, a close friend and collaborator of Donovan's now living in retirement in Bermuda. Some twists to this British account appear in *Room 39*, Donald McLachlan's story of British wartime naval intelligence, and in *The Life of Ian Fleming* by John Pearson.⁴

According to this British account, which has the disconcerting merit of pushing the question of origins one step farther back, Stephenson was personally asked by Winston Churchill, intent on obtaining the fullest American assistance in the dark hours of 1940, to take over the intelligence post in New York. In that capacity, first as Passport Control Officer, later as Director of British Security Coordination (BSC), Stephenson renewed an acquaintanceship with Donovan, inspired and arranged both trips in 1940 to acquaint Donovan with Britain's capabilities and needs, then urged upon Donovan the idea of the establishment of a new American intelligence organization with which Stephenson's outfit could effectively cooperate, and then finally brought about the appointment of Donovan as the Coordinator of Information. The Fleming angle in this account is his alleged authorship of the memorandum written by Donovan to President Roosevelt recommending the establishment of COI.

Without endeavoring here to assay the respective merits of these accounts or to anticipate the conclusions of this study, suffice it to say that the British account, on its face, is no less plausible than the American version. Indeed, the British account of Stephenson's role, for which he was knighted by King George and awarded the Medal for Merit by President Truman—the first foreigner so honored by the United States Government—has the additional merit of revealing the inadequacies of the American tradition. The Stephenson story is *prima facie* evidence for undertaking a new examination into the origins of the Coordinator of Information.

This study aims not at the mere bare bones of organizational history but seeks to provide an intellectually satisfying answer to the question of how William J. Donovan—lawyer, soldier, publicist, and public servant—came to espouse the idea of an organization for the coordination of American intelligence. In particular, it seeks to answer three basic questions: (1) What was the origin of Donovan's trip to London in July, 1940? (2) How did the idea of an organization develop and take hold of Donovan? (3) How was Donovan's appointment as head of the new organization effected?

In answering these questions, attention will be focussed, first, on Donovan himself and his association with the Roosevelt administration, then on Stephenson and his role in advancing British interests in the United States in the field of security and intelligence, and next, on the efforts of the United States Govern-

³ H. Montgomery Hyde, *The Quiet Canadian* (London: Hamilton, 1962), pp. 34-47; 151-156 (*Room 3603. The Story of the British Intelligence Center in New York during World War II* (N.Y.: Farrar, Straus, 1963), same pagination). Future references to this work will be QC.

⁴ Donald McLachlan, *Room 39: A Study in Naval Intelligence* (N.Y.: Atheneum, 1968), pp. 224-239. John Pearson, *The Life of Ian Fleming* (N.Y.: McGraw-Hill, 1966), pp. 100-102.

ment (especially, President Roosevelt, Army and Navy intelligence, and the Federal Bureau of Investigation) to organize itself, in terms of information, intelligence and counterintelligence, and special operations, in the face of the growing needs and problems posed by the threat of war. Finally, it will be shown how out of the activities of these men and organizations a new organization—COI—was born, an organization which was to be part, indeed the *point de depart*, of a larger evolutionary process. (See Figure 1.)

While a search for origins, this study has its own limits; and the time frame must perforce be 1939-41. The beginning is the outbreak of war in Europe in 1939, because it was the war which caused President Roosevelt to bring into his cabinet two outstanding Republicans, Frank Knox as Secretary of the Navy and Henry L. Stimson as Secretary of War; and because in bringing them into the government, he thereby brought into the machinery of his administration another staunch Republican and very close friend of the new Navy Secretary, Colonel (later Major-General) Donovan.

Another reason makes the outbreak of war and the "coalition" cabinet a fitting place to begin this narrative. For Donovan, who had been the hero of New York's "Fighting 69th" in World War I, who had been highly decorated by his own and the French and Italian governments, who in the interwar period had continued to study military experiences and operations in Europe and Africa, and who told an American Legion audience on Armistice Day, 1939, that the United States might have to send men to fight in Europe⁵ for such a man, the outbreak of war posed the problem of the area of his own involvement. Secretary of War Stimson, a personal friend of Donovan's, was to observe in August 1940 that Donovan "was determined to get into the war some way or other."⁶ Just how? This was the question, and the pages that follow will show that, in Donovan's case, Nasser's famous line about a role in search of a hero must be reversed.⁷

⁵ Speech to the Erie County (N.Y.) American Legion, Nov. 11, 1939, *New York Times*, November 12, 1939. He said that the position of the U.S. did not mean "that we are not going to contribute man power at some time. . . . In an age of bullies we cannot afford to be a sissy."

⁶ Henry L. Stimson Diary (MS), New Haven, Yale University, Sterling Memorial Library. Vol. 30, entry for 6 August 1940, cited hereafter as *Stimson Diary*.

⁷ Gamal Abdul Nasser, *Egypt's Liberation: The Philosophy of the Revolutions*, with an Introduction by Dorothy Thompson (Washington: Public Affairs Press, 1955), p. 87. Nasser's line is in turn a modification of Luigi Pirandello's *Six Characters in Search of An Author*.



To Bill Stephenson whose friendship, knowledge and continuing assistance contributed so richly to the establishment and the maintenance of an American intelligence service in World War II - Bill Donovan.

Figure 1. "To Bill Stephenson" from "Bill Donovan."

Chapter II

FRANK KNOX: A FRIEND AT COURT

Even prior to the outbreak of war, President Roosevelt had given some thought to the formation of a coalition cabinet. Whenever he did so, he usually thought of the Republican candidates for president and vice president in 1936, the titular leaders of the party, Alfred M. Landon and Frank Knox.¹ The latter, the publisher of the *Chicago Daily News*, was reportedly asked by the President in 1937 to become Secretary of the Navy, but this account conflicts so sharply with Knox's own direct statement as to suggest someone's faulty memory at work.²

Landon and Knox were apparently first linked in this fashion by Louis Brownlow, the University of Chicago professor who was the President's advisor on governmental re-organization. About the time of Munich, September 1938, he endeavored to pass on to Roosevelt, through others, the suggestion that if war should come and it should seem necessary for him to bring Republicans into the cabinet, he should select not "tame-cat" Republicans or "halfway Democrats" but "the particular Republicans who have been chosen as leaders by the Republican party itself." Since the suggestion was not passed on, Brownlow, in the spring of 1939, about the time of the march on Prague, himself proposed it to the President, whose response was, "You are right. If the time comes, that is what I intend to do, if there is any practicable way to do it."³

That time came in September after the German move on Poland, when the British government was re-organized and a coalition war cabinet was formed with Winston Churchill back after 25 years as the First Lord of the Admiralty and Anthony Eden as Secretary for the Dominions. This prompted comments in the American press about the desirability of a similar re-organization in Mr. Roosevelt's cabinet. Discussing this with Harold Ickes, the Secretary of the Interior, on 9 September 1939, the President observed that the columnists "had been harping on the idea that there should be taken into the Administration such men as Herbert Hoover, Arthur H. Vandenberg, Robert A. Taft, young Lodge, and 'even Dewey'. . . ." Both the President and Ickes agreed that such comments were a Republican move to build up a candidate for the 1940 presidential election, because "They do not say anything about Landon and Knox, the titular heads of the Republican party."⁴

¹ Elting E. Morison, *Turmoil and Tradition: A Study of the Life and Times of Henry L. Stimson* (Boston: Houghton Mifflin, 1960), p. 479.

² *Grenville Clark Memoirs* (MS), cited in letter from Robert G. Albion to Mrs. Frank Knox, 3 August 1949, *Frank Knox Papers*, Washington, Library of Congress, Manuscript Division, AC 10,457, Folder 21, cited hereafter as *Knox Papers*. For Knox's statement see his letter to Roosevelt, 15 December 1939, n. 9, p. 17, *infra*.

³ Louis Brownlow, *A Passion for Anonymity: The Autobiography of Louis Brownlow*, Second Half (Chicago: University of Chicago, 1958), pp. 433-35.

⁴ Harold L. Ickes, *The Secret Diary of Harold L. Ickes*, Vol. II: *The Inside Struggle, 1936-1939* (N.Y.: Simon and Schuster, 1954), pp. 717-19.

Roosevelt, at the time, had many cabinet problems, and he was notoriously reluctant to tackle any of them. The War and Navy posts were particularly vexing. In the former, Secretary Harry Woodring, who had been appointed in 1937, apparently on a temporary basis, was not only openly opposed to the President's foreign policy but was also openly at war with his Assistant Secretary, Louis Johnson. At the Navy, Secretary Charles Edison was so deaf he occasionally misunderstood instructions. Replacing both men now took on added urgency, and the need for strength at home made a coalition cabinet, though politically difficult, very desirable.

Knox Pushes Donovan

Negotiations, which were on and off for nine months, initially centered on Landon and Knox, but then, when Landon became unavailable, shifted to Knox and Stimson. In the meantime, Knox tried mightily to get his close friend and political colleague, Colonel Donovan, appointed Secretary of War.

The first step in these negotiations was taken on 20 September when Landon and Knox were brought to the White House along with a number of legislative leaders to discuss plans for repealing the arms embargo in the forthcoming special session of Congress. The Republican Speaker of the House, Joe Martin, noting the people in attendance, observed in a stage whisper to Alf Landon, "I don't know what we're doing here. This is a conference of his legislative leaders."⁵ The reason for their presence had already been given to Brownlow, who reports that Roosevelt had told him of his invitation to Landon and Knox as providing him with an opportunity "to look them over" and also an opportunity for them "to look me over from a little different angle than they used in 1936." The upshot of this encounter, in which no mention of cabinet posts was made, was that Roosevelt was favorably impressed by Knox but observed that Landon had "acted like a bad little boy," apparently a reference to Landon's alleged uncooperative attitude on plans for effecting repeal of the embargo.⁶

After this disappointment, nothing much happened until the name of Colonel Donovan provoked the White House's first public statement on the possibility of a coalition. On 9 December, the White House discounted a report that Donovan would be made Secretary of War in place of Woodring. "I don't think it is likely," said the President's secretary, Stephen T. Early, that "the President will put a Republican in as a member of his cabinet."⁷ As a matter of fact, the President made just such a proposal the next day, 10 December, when he had a lengthy Sunday afternoon review of the world situation with Frank Knox.

According to Knox's memorandum of conversation, the President rather abruptly said, in the midst of a discussion of the bad relations between Woodring and Secretary Johnson, "I would like to have you come with me as Secretary of the Navy. I think the crisis in international affairs would justify your doing so." Knox's immediate reaction to this invitation was one of surprise that the President should extend such an offer to one like himself who had been so strong a critic

⁵ Letter from Alfred M. Landon to A. H. Kirchhofer, 13 June 1962, Author's Files.

⁶ Brownlow, *op. cit.*, p. 436.

⁷ *New York Times*, 10 December 1939, p. 3, col. 2.

of the President, at least on domestic affairs. Knox went on, however, to say that since recent events had somewhat lessened "the sense of gravity" felt by the general public, his entry into the cabinet would be considered "treasonable to my party, and I would be classified from one end of the country to the other as a political Benedict Arnold." To this Roosevelt entered a demurrer, but Knox held to his conviction that the time was not ripe for public acceptance of such bipartisanship. The publisher then suggested that several Republicans should be brought into the cabinet, and he particularly "urged that a strong man be found for the War Department."⁸

Knox's memorandum does not mention the name of Donovan, and perhaps it did not come up in this Sunday conversation. It did appear, however, in the Roosevelt-Knox correspondence which resulted from this meeting. Back in Chicago, Knox put in writing some of what he had said in person, and then added:

I have heard during the month even more rumors of your taking my good friend, Colonel William J. Donovan, into your Cabinet as Secretary of War than I have heard of your thinking of me in connection with a cabinet post. I have no means of knowing whether you have even considered this just as I lacked any slightest confirmation of your having thought of me until our talk last Sunday.

I know Bill Donovan very well and he is a very dear friend. He not only made a magnificent record in the world war, but he has every decoration which the American government can bestow for bravery under fire. In addition, he is an outstanding member of his profession.

Frankly, if your proposal contemplated Donovan for the War Department and myself for the Navy, I think the appointments could be put solely upon the basis of a nonpartisan, nonpolitical measure of putting our national defense departments in such a state of preparedness as to protect the United States against any danger to our security that might come from the war in Europe or in Asia. . . .⁹

This strong testimonial evoked from FDR his own appreciation of Donovan:

Bill Donovan is also an old friend of mine—we were in the [Columbia] law school together—and frankly, I should like to have him in the cabinet, not only for his own ability, but also to repair in a sense the very great injustice done him by President Hoover in the winter of 1929. Here again the question of motive must be considered, and I fear that to put two Republicans in charge of the armed forces might be misunderstood in both parties.¹⁰

Actually, it is very doubtful that Roosevelt and Donovan were anywhere near as close as Knox and Donovan. Years later, Donovan was to observe that "Roosevelt used to say he was a friend of mine, knew me in law school. But I

⁸ "Memorandum of conversation with President Roosevelt on December 10, 1939, at the White House," 12 December 1939, *Franklin D. Roosevelt Papers*, Hyde Park, Franklin D. Roosevelt Library, President's Secretary's File, Box 59, cited hereafter as *Roosevelt Papers*, PSF.

⁹ Letter from Knox to Roosevelt, 15 December 1939, *Roosevelt Papers*, PSF (Navy).

¹⁰ Letter from Roosevelt to Knox, 29 December 1939, *ibid.*

always reminded people that Roosevelt never knew me in law school.”¹¹ Significant also is the fact that the Roosevelt papers at Hyde Park show little evidence of any contact between the two prior to 1940.¹² Likewise, the White House presidential diaries, which are a catalogue of the names of the many people visiting, dining and overnighting at the White House, show no entry for Donovan in 1940-41.¹³ While most Britishers stressed the closeness of Donovan to Roosevelt, one, writing in February 1941, cautioned:

Whilst we have every reason to think that he enjoys the confidence of the President, Colonel Donovan is not one of his intimate associates. Indeed, he only came over to the side of the administration when Colonel Knox joined the cabinet.¹⁴

Roosevelt could well have wanted to repair the “injustice” done Donovan, that is, the unexpected failure of Hoover to make as his Attorney-General the man who had served Coolidge as an Assistant Attorney-General, but again there is no indication that Roosevelt ever really contemplated Donovan in the cabinet. At this particular juncture in history, Roosevelt seemed intent on bringing the Republican leaders into his administration.

Putting two Republicans “in charge of the armed forces” may have seemed unwise to Roosevelt at the time, but that, of course, is just what he did when he announced the appointment of Knox and Stimson on 20 June 1940.

Knox returned to the subject of Donovan when, many days later, he wrote the President: “I am delighted to learn that you, like myself, hold Bill Donovan in high esteem and can readily understand the point you make concerning my suggestion in that direction.”¹⁵ With this letter, nothing more is heard of the coalition idea until spring. Knox and Roosevelt did exchange several pieces of correspondence touching on the war, but none is pertinent to this study. The correspondence does suggest that there was developing between the two men a rapport that strengthened the President’s resolve to bring Knox into the cabinet when the time favored it. This does not mean that Roosevelt was not toying with other candidates or possibilities than coalition. For instance, in March, he offered the Navy post to his old friend, William C. Bullitt, then Ambassador to France, but nothing came of this even though as late as 9 June, Bullitt was telling FDR of his willingness to run the Navy.¹⁶

Coalition negotiations were resumed when the Germans attacked the Low Countries, thereby ending the so-called “phoney war” and thoroughly alarming

¹¹ “Notes from WJD [William J. Donovan],” 5 April 1949, *William J. Donovan Papers*, Washington, CIA, Job No. 66-595, Box 1, Folder 22, cited hereafter as *Donovan Papers*.

¹² Thomas F. Troy, “An Inventory of Papers at the Franklin D. Roosevelt Library of William J. Donovan, the Coordinator of Information, and the Office of Strategic Services,” Washington, CIA (Typescript Pp. 7, 15 February 1968).

¹³ “The Composite Presidential Diary, 1940” and the “Usher’s Diary, 1940,” *Roosevelt Papers*. These are appointment books or logs rather than diaries.

¹⁴ John Balfour, commenting on Tel. No. 359, 26 February 1941, from British Embassy, Cairo, in *Foreign Office Papers*, London, Foreign and Commonwealth Office Library, A 1154/183/45(1941), cited hereafter as *F.O. Papers*.

¹⁵ Letter from Knox to Roosevelt, 17 January 1940, *Roosevelt Papers*, PSF (Navy).

¹⁶ William L. Langer and S. Everett Gleason, *The Challenge to Isolation, 1937-1940* (N.Y.: Harpers, 1952), p. 510.

the Western world. Knox was at the White House on 16 May, but there is no record of the conversation. Knox's biographer observes: "it would be surprising" if Roosevelt had not once again offered the Navy job to Knox.¹⁷ Perhaps there is a suggestion of just that in a letter which Knox wrote the President two days later—a letter, incidentally, in which Knox again advanced the name of Donovan, this time to serve on a three-man committee to coordinate industrial production. In this letter Knox hoped that the President would have a satisfactory talk with Landon at their scheduled White House luncheon on Wednesday, 22 May, and stated that Landon "is stopping off here [Chicago] to talk things over with me on Tuesday and I will try to emphasize if it should seem necessary how vital a united front is right now."¹⁸

The "united front" was Knox and Landon on the subject of joining the cabinet. On 21 May Knox sent to the President, through Paul Leach of the *News* staff, a brief note in which he spoke of Landon and himself having "reached a mutual conclusion" which had been "animated solely by our desire to promote national unity in the face of grave national peril."¹⁹ Actually, there was not as much united front as Landon would have liked. Landon generally supported Roosevelt's foreign policy, but he genuinely and firmly believed that the two-party system was seriously endangered by Roosevelt's unwillingness to take himself out of the 1940 presidential election. Landon, therefore, pressed Knox, who was much more willing to enter the cabinet, not to do so without a Roosevelt promise to take himself out of the race. In this he was echoing the sentiments of the most powerful elements of the Republican party who had been alarmed at the prospect of Roosevelt capturing the titular leaders of the party on the eve of the national convention. On the eve of his meeting with Roosevelt, at which there was general expectation that he would be offered a cabinet post, the Kansan made provocative public statements which prompted the White House to call off the luncheon. A day later, the President, caught in the White House staff's confusion, personally telephoned Landon, renewed the invitation for lunch, and then on the 22nd spent two hours with Landon discussing everything but the idea of a coalition. This comedy was concluded with Roosevelt accusing the press of having invented the idea of the coalition and declaring he had no intention of naming any outsiders to the cabinet.²⁰

At this point, Landon was out, but Knox was still a good possibility. This probably sat well with the Chicagoan, who still wanted Donovan as his fellow-Republican in the cabinet, who was more concerned with the gravity of the international situation than with suspected Rooseveltian thrusts at the two-party system, and who, moreover, was personally tired of the Landon-Knox couplet. Of Landon, Knox had said, late in 1936, that he "had played second fiddle to that second-rater for the last time."²¹

¹⁷ George Henry Lobdell, "A Biography of Frank Knox" (unpublished Ph.D. dissertation, University of Illinois, 1954), p. 312.

¹⁸ Letter from Knox to Roosevelt, 18 May 1940, *Roosevelt Papers*, PSF (Knox).

¹⁹ Letter from Knox to Roosevelt, 21 May 1940, *ibid.*

²⁰ *New York Times*, 25 May 1940, p. 3, col. 2.

²¹ Quoted in Donald R. McCoy, *Landon of Kansas* (Lincoln, Neb.: University of Nebraska; 1966), p. 351.

The next month was one of uncertainty for Knox. On 27 May he wrote the President telling of the meeting two days earlier of the group interested in promoting training camps for aviators, a group which was to be headed by General Malin Craig, and which included among its members Colonel Donovan, General Frank R. McCoy, and Lewis Douglas.²² On 5 June, he arrived in New York where he breakfasted at Bill Donovan's home and there discussed the aviation project again and then left for "a lunch date with Bill at the Vanderbilt." In writing his wife on that day, he remarked that

There is nothing new to report on the Washington situation except that Bill told me Mrs. Roosevelt asked Mrs. Meloney (Missey) whether she thought Donovan would be loyal to F.D.R. if given a place in the cabinet. Of course you know what Missey would reply to such a question.²³

Then, on 11 June, Knox wrote the following to his wife in New Hampshire:

"Curiously today at lunch at the [Chicago] Club a rumor circulated that I had been appointed Secretary of the Navy. One LaSalle Street man said it was current in financial circles. I said I had no knowledge of any new developments and I found none when I returned to the office. I didn't tell anyone however that just before lunch I was informed by Professor Brownlow of the University of Chicago . . . who had a talk with the President Saturday that F.D.R. was unchanged in his determination to have me as his Secretary of the Navy and was now engaged in trying to find a satisfactory Republican or non-Democrat for war in order to meet my condition that other Republicans be included in the cabinet. Brownlow asked me who I would recommend and I again suggested Bill. Later Brownlow called me to say he thought well of the suggestion and would convey it to the President.²⁴

In Brownlow's version of the meeting, Knox raised the subject of the cabinet post by asking the professor to tell the President that he, Knox, was now ready to serve him "in any capacity that he wants me to serve and without any conditions whatsoever." He then corrected himself to say that the only condition was that he not be called prior to the Republican convention, which was to open in Philadelphia on 24 June.²⁵ Even so, on 15 June, Knox wrote Annie that he still "had no word of any kind from Washington and I am beginning to believe that I will not—and this produces a sense of personal relief rather than disappointment."²⁶

When Brownlow reported to Knox that the President was endeavoring to find another Republican for the cabinet, he apparently did not know that that other Republican was Henry L. Stimson, as prestigious, experienced, and authentic a Republican as any on the scene, even though Brownlow was at that

²² Letter from Knox to Roosevelt, 27 May 1940, *Roosevelt Papers*, PSF (Knox).

²³ Knox to Annie R. Knox, 5 June 1940, *Knox Papers*, Box 3. Mrs. William Brown Meloney was a great friend of Mrs. Roosevelt and was the organizer of the *New York Herald-Tribune* "Forum." On 25 June 1940 she sent FDR a reprint from the *Tribune* of Donovan's article, "Should Men of Fifty Fight Our Wars?" *Roosevelt Papers*, President's Personal File (cited hereafter as PPF), 6558 (William J. Donovan).

²⁴ Knox to A. R. Knox, 11 June 1940, *Knox Papers*, Box 3.

²⁵ Brownlow, *op. cit.*, pp. 445-46.

²⁶ Knox to A. R. Knox, 15 June 1940, *Knox Papers*, *ibid.*

time, at the President's request, canvassing various press people for their comment on the suitability of Stimson as spokesman for the President on foreign affairs. The Stimson story, in shortened form, had begun "in the middle of May" when Grenville Clark, an old friend of Roosevelt's, a distinguished but quiet public servant, and currently a vigorous proponent of universal military conscription, "woke up one morning . . . with the firm conviction that the only way to achieve his purpose was to obtain a Secretary of War who would 'push it through.' He needed, he decided, someone like Henry L. Stimson."²⁷ Here was a Republican of the first rank, a servant of four Republican presidents—notably, Secretary of War under Taft and Secretary of State under Hoover—and an advocate of conscription, national defense, and aid to Britain.

This project Clark discussed with Felix Frankfurter, the Justice of the Supreme Court, "the Talleyrand of the times."²⁸ The two of them went over Stimson "and other names—especially William J. Donovan and Lewis Douglas—but they always came back to Stimson."²⁹ On 3 June Frankfurter, who a month earlier had arranged Stimson's first meeting with Roosevelt in years, pushed upon the President the idea of appointing Stimson as Secretary of War and Robert P. Patterson as Assistant Secretary. Once assured of the good health of the 73-year old Stimson, FDR was easily sold on his appointment. When Brownlow returned from Chicago with the news of Knox's availability, the President had his coalition cabinet in prospect. Both men were contacted on 19 June, Stimson at his office in New York, and Knox while lunching with friends at the Skyline Club in Chicago; and the news of their appointment was broken by Roosevelt on 20 June, to the surprise of the capital and the bitterness of the Republican high command who virtually read the two appointees out of the party on the grounds of party betrayal. Among the minority of Republicans who rallied to the support of Knox and Stimson was Donovan, who sent a telegram to the Republican Convention urging the delegates "to approve the designation" of the two as a means of strengthening the defense of the country.³⁰

Publisher Becomes Secretary

There is no need to follow the two men through the successful process of Senate hearings and confirmation except to note the close collaboration of Knox and Donovan. So close was this, in fact, that upon accepting the appointment Knox told an associate, while still at the Skyline Club, that he "intended to ask Bill Donovan to become Under Secretary." Donovan, for whatever reason, was "unable to serve."³¹ When Knox arrived in Washington on 1 July, he told his wife he found Donovan there waiting to meet him and help him get ready for the Senate Naval Affairs Committee. They immediately repaired to Donovan's home in Georgetown,³² where they were joined by Senator Scott Lucas for

²⁷ Morison, *op. cit.*, pp. 480-81.

²⁸ This title appears in Eliot Janeway, *The Struggle for Survival: A Chronicle of Economic Mobilization in World War II*, Vol. 53 of *The Chronicles of America Series*, ed. by Allan Nevins (New Haven: Yale, 1951), p. 140.

²⁹ Cf. n. 1, p. 22, *supra*.

³⁰ *New York Times*, 22 June 1940, p. 10, col. 7.

³¹ Letter from Rawleigh Warner to A. R. Knox, 29 March 1949, *Knox Papers*, Box 1.

³² 1647 30th Street, N. W. The address has since been changed to 2920 R Street, N. W. The residence is now owned and occupied by Mrs. Katherine Graham of the *Washington Post*.

lunch, and the three spent the afternoon preparing for the hearings which covered much of Tuesday and Wednesday. Knox, as a matter of fact, moved in with Donovan:

Bill was most anxious to have me stay with him until I had a chance to get the details of starting on a new and difficult job under weigh [sic] . . . Bill is there alone and only part of the time but keeps three servants on duty anyway. Mrs. Donovan is in Maine right now and will be there for some time so I told Bill (fine, if he lets me pay my share). He finally agreed so I will be there for two or three weeks at least. It is ideal for me for it gives me freedom and privacy.³³

Donovan also had his own business to pursue in Washington. On 3 July he appeared before the Senate Committee on Military Affairs in support of the selective service act and gave a three-page statement and answered questions, on the basis of extensive experience in battle and observation of recent warfare in Ethiopia and Spain, on a subject which was always dear to him, the training and leadership of men in battle. He was to do the same on 10 July when he appeared before the House Committee on Military Affairs.

Indeed, if one can accept at face value Donovan's own account of the origin of the trip, then it was on 3 July he was called to the White House and asked to go to London. This account, however, leaves so many questions unanswered that it is best left to later consideration in Chapter III. Suffice it here to note that it probably was some time between 3 and 10 July that the trip was officially proposed and approved.

Late on the 10th, Knox was confirmed by the Senate, and he was sworn in by the President on the 11th; he then went for the first time to the Navy Department but left soon, he wrote his wife, "for lunch with several of my friends at Bill's." On Friday, the 12th, he had a session with the whole General Board of the Navy. That afternoon he held an impromptu reception for the 300-400 bureau chiefs, and "Friday night Bill had a few in to dinner." He was called to the White House the next morning at 11:45. This report to his wife on his first few days in office ends with the following account of Donovan's departure for London plus the usual note on his living arrangements:

All offices close at noon Saturdays so when I got back from the White House Bill Donovan, John Sullivan, Jack Bergin of N.Y., Jim Forrestal of White House staff and I went aboard the Sequoia, the Secretary of the Navy's yacht, had lunch aboard and cruised down the Potomac until about 6 o'clock. Then Bill and I got into dinner clothes and went to dine with the British Ambassador Lord Lothian at 8 P.M. The only other guest was Minister Casey of Australia and the four of us talked until nearly 11 o'clock. Bill is leaving by Clipper for London today and we had much to discuss before he got away. I will tell you why he is going when I see you as I hope next week. Bill left at midnight for New York and sailed by Clipper for Lisbon at 3 P.M. today.

³³ Knox to A. R. Knox, 6 July 1940, *Knox Papers*, Box 3. The date of this letter, to judge from its contents, is 5, not 6, July.

I am moving much of my things aboard the Sequoia where I have a luxurious cabin . . . the only cost is the food. Bill insists that I keep some of my clothes at his house and stay there whenever I may want to until you come. . . . This solves the living question until you come in the fall.³⁴

One can only imagine at this date what Frank told Annie, when he saw her, about the purpose of Donovan's trip. It probably did not occur to him, however, to emphasize what must be emphasized here, namely, that almost his first act as Secretary of the Navy, indeed, an act that was decided upon before he was actually confirmed, was to send his good friend Bill Donovan on a secret mission to Europe. How this happened, and to what extent the new chief of British intelligence in New York, William S. Stephenson, was involved, will be told in the next chapter.

All that matters here is that for the first time in the eight years of the Democratic administration of Franklin D. Roosevelt, William J. Donovan, a life-long Republican and a foe of the New Deal, but a vigorous internationalist and a close friend of the new Navy chief, had in that friendship a firm operating base in the machinery of the national government.

³⁴ Knox to A. R. Knox, 14 July 1940, *ibid.*

Chapter III

STEPHENSON, HOOVER, AND DONOVAN

Whatever Knox did tell his wife about Donovan's trip, neither he nor anyone else has left behind a complete picture of its genesis. Both Stephenson, who claims to have initiated the trip, and Donovan, who made it, have given conflicting accounts, and independent evidence does not conclusively resolve the difference. In considering this evidence, it is well to begin with a brief look at William S. Stephenson¹ himself and his activity in the United States in the months before the trip was conceived. (See Figure 2.)

"The Quiet Canadian"

At the outbreak of war, Stephenson, at 43, was a man of many accomplishments, much money, and many influential friends. His friendships reflected a personality which caused a one-time foe, Assistant Secretary of State Adolf A. Berle, to remark years later: "It was impossible not to like Bill Stephenson."² His accomplishments reflected his versatility. As a pilot in the Royal Flying Corps in World War I his exploits had won him Britain's Military Cross and the Distinguished Flying Cross, and France's Legion of Honor and Croix de Guerre with palm. At the same time, he had gone in for boxing; and at Amiens, early in 1918, as corps member of the Inter-Service Boxing Teams, he won the amateur lightweight championship of the world. It was on this occasion that he met Gene Tunney, who also won a title then, and whose friendship was later to be the link between Stephenson and J. Edgar Hoover of the Federal Bureau of Investigation.

After the war, the Canadian-born Stephenson moved to Britain where "his peculiar inventive and commercial genius transformed him into a millionaire" before he was thirty.³ Not only had he patented and commercially exploited a can-opener he had found while a German prisoner of war, but he had become the inventor, in a field dearer to his heart and talents, of a device for the faster wireless transmission of pictures, both still and moving, a device which was headlined in 1924: "Moving Pictures by Radio on Way; May Soon Be Possible to 'See-in' as Well as 'Listen-in' at One's Home."⁴ By the 1930's he controlled a score of companies—in radio, films, cement, plastics, etc.—the most important of which, from the point of view of his subsequent career in intelligence, was

¹ For Stephenson's life see, in addition to Hyde's *Quiet Canadian* cited above: J. J. Brown, *The Inventors: Great Ideas in Canadian Enterprise*, The Canadian Illustrated Library. (Toronto, Canada: McClelland and Stewart, 1967), pp. 90-92; Arch Whitehouse, *Heroes of the Sunlit Sky*. (N.Y.: Doubleday, 1967), pp. 236-37. McKenzie Porter, "The Biggest Private Eye of All," *McLean's Magazine*, 1 December 1952, pp. 66-75.

² Adolf A. Berle, private interview, N.Y.C., 7 October 1969.

³ Hyde, *op. cit.*, p. 11.

⁴ *Charleston News and Courier* (South Carolina), 22 September 1924.



Figure 2. Sir William S. Stephenson (Passport photo, 1942).

the Pressed Steel Company, which made 90% of the bodies for the major British automobile manufacturers. It was Pressed Steel which brought him into touch with German steel production, and in the years after the rise of Hitler and with the re-armament of the Reich it was his information that was fed to Winston Churchill who used it in his public and parliamentary warnings against the danger of Nazi Germany.

Inevitably, and especially after September 1939, Stephenson was brought into contact with Britain's Secret Intelligence Service (SIS), whose chief was Colonel (later Major-General Sir) Stewart Menzies—pronounced, to the dismay of many, "Mingiss"—known in the service, according to a recent custom, simply as "C." With the hearty support of Churchill, then back as First Lord of the Admiralty, and the collaboration of the SIS, Stephenson undertook, but finally had to abort, a project to sabotage the Germans' supply of Swedish ores. From Stockholm Stephenson was then sent on to Helsinki where he discussed modes of aid, by subversion or sabotage, to the Finns then under assault by the Russians.

On his return to London, he was asked by British intelligence to go to the United States in order to "establish relations on the highest possible level between the British SIS and the U.S. Federal Bureau of Investigation." Returning shortly thereafter to London, he was again asked to go to the United States, this time by Churchill, who was now Prime Minister, in order to render Britain a much larger list of services.⁵ These are the two trips which he claims brought him into contact with Hoover and Donovan. Since both these contacts are fundamental to the story of the development of Stephenson's organization, British Security Coordination, and of Donovan's COI, their dates must be established before the details of Stephenson's activity in the spring of 1940 can be profitably spun out.

Arrival in the United States

About the second arrival in the United States there is no doubt. The record clearly shows that when the "S.S. Britannic" arrived in New York harbor on Friday, 21 June 1940, two of its 760 passengers were Stephenson and his wife Mary, who gave the Waldorf Astoria as their address and "indefinite" as the length of their intended stay. Stephenson listed himself as a civil servant with diplomatic status.⁶ (See Figure 3).

Unfortunately, the earlier arrival is not so easily verified, but evidence shows that it did occur, although not exactly when. Thus, the record just cited also shows that he stated that his last previous entry into the U.S. occurred in "1940" when he visited "New York and Cal[ifornia]." Visa records show that he had been issued a visa some time in the last two weeks of March, and that he was traveling to the U.S. as a "Government Official [and] Company Director [who was] Proceeding to the United States on an Official Mission for the

⁵ QC, pp. 24, 30.

⁶ U.S. Dept. of Justice, Immigration and Naturalization Service, Form 1-404-A, Stephenson, William S., N.Y.C., 21 June 1940 (INS File A6 762816).

NAME <i>STEPHENSON, WILLIAM S.</i>		AGE <i>44</i>	SEX <i>M</i>	MARRIED <i>M</i>	OCCUPATION <i>CIVIL SERVANT</i>
PORT OF ENTRY <i>NEW YORK</i>		CITIZEN OF <i>BRITAIN</i>		PLACE OF BIRTH <i>WINNIPEG CANADA</i>	
DATE <i>6-21-40</i>		MANNER <i>S/S BRITANNIC</i>	VIA OR PERMIT NO. <i>PV 4640</i>	SECTION <i>3(D)</i>	PLACE AND DATE OF ISSUE <i>LONDON 6-4-40</i>
LAST PERMANENT RESIDENCE <i>LONDON, ENGLAND</i>					
CERTIFICATE OF ADMISSION OF ALIEN					
OFFICE REQUESTING VERIFICATION: <i>RAIS - C.O.</i>					
FILE NO.					
DESTINATION <i>NEW YORK</i>		HEAD TAX STATUS <i>DIPLOMAT</i>			
IN U.S. WHEN REPORTED <i>YRS 1940</i>		WHERE <i>NEW YORK + CAK.</i>			
NAME AND COMPLETE ADDRESS OF PERSON TO WHOM DESTINED <i>WALDORF ASTORIA HOTEL</i>					
PURPOSE IN COMING AND LENGTH OF INTENDED STAY. <i>NEW YORK</i>					
HEIGHT <i>5'7"</i>		COMPLEXION <i>Fk.</i>	HAIR <i>Br.</i>	EYES <i>Br.</i>	DISTINGUISHING MARKS <i>NONE</i>
ACCOMPANIED BY <i>STEPHENSON, MARY F - 39</i>					

GPO 938027

Figure 3. Stephenson's Certificate of Admission, June 1940.

Form 1-49-A (Rev. 3-23-38)
 UNITED STATES DEPARTMENT OF JUSTICE
 Immigration and Naturalization Service

Ministry of Supply.”⁷ Moreover, the SIS, in response to a query on this very point, has categorically affirmed: “Stephenson visited the USA in April 1940.”⁸

Perhaps the most interesting item on this point turned up in a most unlikely place: a memorandum on “German Activity in Mexico,” which had been sent to G-2 at the Presidio in San Francisco by the “Head Inspector, Air Plant Protection Control” for the Army’s Western Procurement District.⁹ The inspector reported on 20 June 1940, the day before Stephenson’s second arrival in the States, that he had been informed of “a recent visit” in California by “Mr. W. S. Stevenson (sic), Attaché of the British Foreign Office at London.” Though the name is misspelled, a common error, it can hardly refer, as the body of the report shows, to some other person. For this reason, and because of its reference to a Stephenson-Hoover meeting, a point which needs to be documented, it is worth quoting:

. . . Mr. Stevenson had advised him (Mr. B. [E.] L. Cord, former airplane and automobile manufacturer) that all of the information furnished Mr. Cord had previously been furnished to Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, with whom he had been in conference for 14 hours just prior to his visit with Mr. Cord.

Mr. Stevenson advised Mr. Cord that the Russian Government had shipped 50,000 Spanish-Loyalist refugees to the Republic of Mexico during the past year and that the German Government had shipped 37,500 troops to the Republic of Mexico during the past three months. He also stated that the German troops were equipped with machine guns, hand-grenades, and small artillery sufficient to equip an army of 200,000 men.

Mr. Cord stated that he was quite satisfied this information had been furnished to the Federal Bureau of Investigation and the proper War Department authorities by Mr. Stevenson during his recent visit.

While this is not the place to evaluate the accuracy of the numbers of Spanish Loyalist refugees and German troops in Mexico (!), and while it takes us a little ahead of the story, it is pertinent to note that the supplying of such intelligence as this to the FBI was one of the purposes of establishing liaison between SIS and the Bureau.

Stephenson, then, did arrive in the United States early in the spring, in April, but his approach to the Bureau at that time was not the first approach of British intelligence to an intensification of liaison with the FBI. An approach was already being made at the time Stephenson was getting his visa for the United States; and whether there was any connection between the two is hard to say. The

⁷ “Weekly Report of Visas Issued . . .,” U.S. Embassy, London, Desp. No. 4981, 2 April 1940, National Archives, Record Group 59 (State Decimal File), File 811.111 Dip/15254. This Group will be cited hereafter as RG 59.

⁸ Letter from SIS to U.S. Embassy, London, No. YP/81/1 (Historian), 10 November 1969, paras. 3-5, SECRET, Author’s Files.

⁹ Memorandum from Edward K. Merritt to Lowell H. Smith, 25 June 1940, National Archives, Military Intelligence Division, Record Group 165, File 2801-304/34 CONF. This source will be cited hereafter as RG 165.

earlier approach, by members of the allies' purchasing commissions, is nevertheless part of the background to Stephenson's own work and hence must be considered before finally turning to the Stephenson-Hoover relationship.

British Intelligence and the FBI

On 19 March an FBI official met for three-quarters of an hour in Washington with Mr. Hamish Mitchell, Special Assistant to the Director General of the British Purchasing Commission, and Mr. Charles T. Ballantyne, the Washington representative of the Anglo-French Purchasing Commission. Mitchell apparently did all the talking, and the gist of his message was that the British were so concerned about preventing a repetition of the unfortunate World War I experience of seeing much of their war materials sabotaged in the United States that they were suggesting "the advisability of utilizing an undercover branch of the British service to secure information with respect to possible sabotage so that the enemy's movements . . . could be anticipated and forestalled." Mitchell was also concerned about the Bureau's plant protection surveys and supervision and about the role of railroad police in protecting materials in transit. He wanted the Bureau's assistance in getting information about the many Americans the Commission had had to hire; he offered to make available to the Bureau the "considerable information" which he acquired in the pursuit of his duties; and finally, he inquired as to whether he might make similar contacts with other Bureau offices in the United States.¹⁰

Mitchell's approach was duly communicated by Hoover to Assistant Secretary of State Adolf A. Berle, who served more or less as the President's overseer of the Interdepartmental Intelligence Conference (IIC)¹¹ In a memorandum of his own, Berle referred to the proposed "undercover unit" as a "unit of British Intelligence . . . reporting" to the Purchasing Commission and noted: "The F.B.I. reacted instantly and unfavorably." He continued:

I feel we should discourage activities of this kind. If we are to have a combined counterespionage and secret intelligence unit, it should be our own, and not foreign. But I do think that this suggests a more expeditious way of getting information from these people into the hands of our own agencies, so that if there is thought of German or Russian espionage or sabotage we can deal with it promptly. Specifically, I think an officer of either the F.B.I. or the Department ought to be detailed to receive and examine any reports or indications which the Purchasing Commission may have to offer. We should do this for any private company, or at the behest of any government, in equivalent circumstances.¹²

On 4 April Berle informed Mr. Edward A. Tamm of the Bureau that "this Government could not permit an extension of the British activities in this country in the matter suggested."¹³

¹⁰ "Memorandum for Mr. E. A. Tamm" from R. P. Kramer, 19 March 1940, RG 59, FW File 841.24/229.

¹¹ Hoover to Berle, 22 March 1940, *ibid.* Hoover also forwarded to Berle a copy of Kramer's memorandum. The IIC is described in ch. VII, *infra.*

¹² Memorandum by Berle, 26 March 1940, *ibid.*

¹³ "Memorandum for Files" by Fletcher Warren, 4 April 1940, *ibid.* Warren recorded what Berle had told him of his conversation with Tamm.

Meanwhile, Hamish Mitchell again approached the FBI on the same subject; this time he approached the New York office on 30 March. Again, he expressed a desire to cooperate with the Bureau and indicated his office was endeavoring to keep informed on possible sabotage to British war materials. He also referred to a document, sent by the British Embassy to the Department of State, describing the setup of "the German organization for developing information in this country."¹⁴

When informed of this second approach, Berle advised Mr. James C. Dunn, the Department's Advisor on Political Relations:

The F.B.I. declined to entertain any suggestion of 'cooperation' or the building up of any 'cooperating' organization under the British Purchasing Commission. I stated that I thought they were entirely right in this regard. I am not so clear, however, that they might not maintain contact for the purpose of getting whatever information may be passed on to them, provided this is promptly and adequately reported here, so that we know what is being done.

In other words, I am not clear that the Scotland Yard tie-up works very well in connection with American matters, and the British may know things that we ought to know promptly. I should be glad to have your comments.¹⁵

Was Mitchell representing Scotland Yard? The SIS, when queried in 1968 about the connection between Mitchell and Stephenson, replied: "We have no information on this point but as Stephenson also visited the USA early in 1940 and held discussions with the head of the FBI, it is likely that there was some coordination of the two visits."¹⁶ In any case, Dunn told Berle that "it should be made entirely clear to the F.B.I. and Justice that entire responsibility with regard to these matters within the United States lies with the Department of Justice." He went on to say: "I would not, for my own part, consider it advisable that any secret service organization of a foreign country should be permitted to carry on its operations in the United States." As for "cooperation" with a foreign organization, in matters relating to sabotage and espionage inside this country, that is the responsibility of the Justice Department.¹⁷

In the meantime, the minutes of the Interdepartmental Intelligence Conference show that on 9 April the FBI informed G-2 and ONI, as well as State: the "British Purchasing Commission desires to set up an intelligence service in [the] U.S."¹⁸ Strangely enough, this very same entry shows up in the minutes of the meeting of the Conference on 13 May,¹⁹ almost three weeks after Dunn had written the above message to Berle, the last message in this Mitchell-FBI episode. Then on 31 May, Mr. Hoover, when asked about the operations of foreign agents in the United States, told the Conference that the Bureau had "within

¹⁴ Hoover to Berle, 10 April 1940, *ibid*, File 841.24/235.

¹⁵ "Memorandum from Berle to Moffat and Dunn, 18 April 1940, *ibid*.

¹⁶ SIS, *op. cit.* para. 2.

¹⁷ Memorandum from James Clement Dunn to Berle, 23 April 1940, RG 59, File FW 841.24/235.

¹⁸ U.S. Interdepartmental Intelligence Conference, Minutes of Meeting, 9 April 1940, RG 165, File 9794-186A(L).

¹⁹ *Ibid.*, meeting of 13 May 1940.

the past few months been developing an increasing store of information upon this subject." He indicated that "the British and Canadian intelligence services in the United States appear to be particularly well organized and that these services have been furnishing considerable information to the FBI." ²⁰

Then on 16 July Hoover told his fellow-members in the Conference:

. . . the relations and dealings of the FBI with the British intelligence service had been extended to a considerable extent and the Bureau hoped to possess within the course of a few days a complete outline of the organization of the British intelligence service within the Western Hemisphere.

This information would, of course, be transmitted to the Military and Naval Intelligence Services. ²¹

Ten days later, General Sherman Miles, the Army's intelligence chief, inquired at the Conference as to whether any additional information had been received on some "German documents received from the British Secret Service. Mr. Hoover advised that the source of this information would call on him Saturday, July 27, 1940." ²²

It is idle, of course, to speculate on whether that "source" was Stephenson himself. It is not idle, however, to ask whether or not the obvious build-up in relations between the FBI and British intelligence reflected the hand of Stephenson at work after the relative failure of the Mitchell approach. In any case, it is time to go back to Stephenson's first arrival in 1940 in this country.

Stephenson and Hoover

Stephenson's story, in *The Quiet Canadian*, is that he was asked to go to the U.S. in order to effect an FBI liaison, that he was informally introduced to Hoover through his friend Gene Tunney, that Hoover insisted upon a personal liaison with him, with Presidential approval and without the knowledge of the Department of State, and finally that Roosevelt's authorization was acquired through the intervention of Mr. Ernest Cuneo, an influential lawyer, newspaperman and friend of Roosevelt's. Cuneo is reported to have carried back to Stephenson FDR's statement: "There should be the closest possible marriage between the F.B.I. and British Intelligence," a statement which Roosevelt is later supposed to have made to Lord Lothian, Britain's ambassador in Washington." ²³

Gene Tunney has corroborated the account of the meeting with Hoover:

Through English and Canadian friends of mine, I had known Sir William for several years. He wanted to make the contact with J. Edgar Hoover and wrote a confidential letter from London. I arranged to get the letter into the hands of Mr. Hoover, having known him quite well. Sir William did not want to make an official approach through well-placed English or American friends; he wanted to do so quietly and with no fanfare.

²⁰ *Ibid.*, File 9794-186A(2) CONF.

²¹ *Ibid.*, File 9794-186A(9) CONF.

²² *Ibid.*, File 9794-186A(12) CONF.

²³ *QC*, pp. 25-26.

J. Edgar Hoover told me on the telephone that he would be quite happy to see Sir William when he arrived in the United States, so when he did come to Washington everything was set up for him; this was sometime early in 1940. Naturally, I had to stay out of whatever business was between them, but it was my understanding that *the thing went off extremely well.*²⁴ (Italics mine.)

Ernest Cuneo, when asked about his part in this episode, was unclear about any such meeting so early in 1940. Asked about the statement on "the closest possible marriage," his reply was: "No. The President did not say that to me." He claimed that his role as intermediary was played later when relations between Stephenson and Hoover had dropped considerably from the level of amicability on which they had been originally established. Cuneo agreed with the suggestion that the intermediary with the White House could well have been the wealthy Vincent Astor, who was not only a close friend of both Stephenson and the President but who also played a virtually unknown role as intelligence source for the President.²⁵

While this White House angle must be left unclear, liaison between Stephenson and Hoover was effected. The FBI itself has stated that the two first met in March 1942; this was described as their first "official" meeting, and it was said that they had met "once or twice."²⁶ There is considerable evidence that they had met long before March 1942. On 29 January 1942 Hoover and Stephenson were two of thirteen American, British, and Canadian officials who met at the FBI for a "Hemisphere Intelligence Conference."²⁷ In July 1941 Hoover and Stephenson discussed the many secret messages that British intelligence was sending to London weekly on the FBI radio.²⁸ And in a remarkably undiscovered statement, though publicly printed in 1948, and probably the first significant public statement about Stephenson's role in World War II, Robert Sherwood declared:

By the spring of 1941, six months before the United States entered the war [May ?] . . . there was, by Roosevelt's order and despite State Department qualms, effectively close cooperation between J. Edgar Hoover and the F.B.I. and British security services under the direction of a quiet Canadian, William Stephenson. The purpose of this cooperation was the detection and frustration of espionage and sabotage activities in the Western Hemisphere by agents of Germany, Italy and Japan, and also of Vichy France. It produced some remarkable results. . . .²⁹

On 14 March 1941 Vincent Astor, forwarding to the President some intercepted mail which he had acquired as the result of the British opening of diplomatic pouches in Bermuda and Trinidad, remarked: "It really is a good thing that

²⁴ Letters from Gene Tunney to the Author, 6 and 18 August, 18 September 1969. The last two letters were signed by Tunney's Secretary, K. M. Skallon.

²⁵ Ernest Cuneo, private interviews, Washington, 27 November 1968, 1 October 1969.

²⁶ Communication from FBI through CIA Liaison, 15 February 1968.

²⁷ Minutes, Hemisphere Intelligence Conference, held in the Office of the Director of the Federal Bureau of Investigation, 29 January 1942, RG 59, File 800.20200/9.

²⁸ Memorandum of Conversation by Berle, 10 March 1942, RG 59, File FW F841.20211/36.

²⁹ Robert Sherwood, *Roosevelt and Hopkins: An Intimate History* (Rev. ed.; N.Y.:Harper, 1950), p. 270.

you made F.B.I. the contact with British intelligence. If O.N.I. and M.I.D. [the Army's Military Intelligence Division, G-2] were in it too, nothing would ever be forthcoming. At present this situation is working perfectly."³⁰

When this evidence is added to the earlier testimony of Gene Tunney, to the SIS reference to Stephenson's "discussion with the head of the FBI," and to the California plant inspector's report, the very strong presumption follows that the two men met long before March 1942 and much closer to the time when Stephenson says he came here for that specific purpose. The evidence also indicates that the liaison which was then established was not set up without the knowledge of the State Department, even though there might have been some lack of clarity on the nature of the relationship, and even though the Department could well have had the "qualms" of which Sherwood spoke. Certainly, Stephenson, Hoover, and Berle were later on to have their problems.

Stephenson and Donovan

What now about Stephenson and Donovan in the first half of 1940?

The Stephenson story is that he was asked by Winston Churchill himself to take the assignment as Passport Control Officer in New York which Menzies had first offered him. The job, as Stephenson had outlined it to others even before it was offered to him, was to do everything possible "to assure sufficient aid for Britain, to counter the enemy's subversive plans throughout the Western Hemisphere. . . . and eventually to bring the United States into the War."³¹ In the quiet of retirement, Stephenson related how Churchill, in the first month of his premiership, and speaking from a full awareness of the importance of American aid and support to the survival of Britain, said to him with directness and without reserve: "Help me!" Stephenson stressed that he alone, unlike other prominent Canadians and Britons who served in this country—Arthur Purvis in purchasing, Arthur Salter in shipping, and the Treasury expert Sir Frederick Philips—was "the personal representative" of the Prime Minister. Indeed, Stephenson revealed considerable contempt for Menzies and the SIS as he found it in 1940, and insisted that he sent many of his communications direct to Churchill rather than to Menzies, who was at least his nominal superior.³² For his part, Menzies "was indeed always at pains to describe Stephenson as 'my representative' and inclined to be jealous of occasional communications not sent by or through SIS."³³

Having returned to the United States on 21 June, Stephenson allegedly immediately renewed an acquaintance with Donovan whom he had "first met during a visit [by Donovan] to England" and "instinctively" concentrated on him as the individual above all others who could help in the procurement of badly needed war materials.³⁴ Queried later as to when he and Donovan had

³⁰ Letter from Astor to Roosevelt, 14 March 1941, *Roosevelt Papers*, PSF Astor (General 1933-1944).

³¹ QC, p. 28.

³² Stephenson, private interview, Bermuda, 23 October 1969.

³³ SIS, *op. cit.*, para. 6

³⁴ QC, pp. 34-35.

first met, Stephenson was unclear; he did recall that their friendship was given an initial impetus when it was discovered that both, unbeknownst to one another, had been in the same French town at the same time in World War I, Donovan on duty with his troops and Stephenson an accidentally-downed fighter pilot. They were to meet occasionally throughout the thirties in London, he went on, whenever "Bill was in town."³⁵

When Stephenson did arrive in New York, he stayed not at the Waldorf Astoria but at the St. Regis at the insistence of his friend Vincent Astor, who referred to the Hotel as "his broken-down boarding house."³⁶ On calling Donovan, Stephenson was told to "stay where you are," and in 20 minutes Donovan and Stephenson were face to face again.³⁷ Shortly thereafter, according to a British intelligence document, which was written in 1945, and which Stephenson "commissioned and read," Stephenson "suggested to Donovan that he should pay a visit to Britain with the object of investigating conditions at first hand . . . [and] Donovan referred the proposal to the President . . ."³⁸

Additional details were added about 1960 in a memorandum which Stephenson dictated for an OSS historian, and the same account then appeared in 1962, in *The Quiet Canadian*:

In June of 1940, very shortly after I arrived in the U.S., he [Donovan] arranged for me to attend a meeting with Knox and Stimson where the main subject of discussion was Britain's lack of destroyers and the way was explored towards finding a formula for the transfer, without legal breach of U.S. neutrality and without affront to American public opinion, of 50 over-age American destroyers to the Royal Navy. It was then I suggested that he should pay a visit to Britain with the object of investigating conditions at first hand and assessing for himself the British war effort, its most urgent requirements, and its potential chances of success. He referred to Knox and they jointly referred to the President.³⁹

In 1968 Sir William additionally claimed: "General Donovan and I left for London by air July 14th . . . We flew back to Washington early in August."⁴⁰

The first and by far the chief difficulty with this account of the origin of the trip is that its major premise, the renewal of a pre-existing Stephenson-Donovan friendship, has been denied by Donovan himself. In November 1944 Donovan received for comment a British paper entitled "British Relations with OSS;" this was a British submission to an early but abortive OSS history; and since it deals almost solely with Stephenson's relations with Donovan, it must have been read by Stephenson, and it may well have been the basis of the 1945

³⁵ Stephenson, private interview, Bermuda, 12 February, 23, October 1969.

³⁶ *Ibid.*, 12 February 1969.

³⁷ *Ibid.*

³⁸ SIS, *op. cit.* Conversation with SIS Historian, London, 13 November 1969.

³⁹ Stephenson's memorandum, entitled "Early Days of OSS (COI)," was dictated for Whitney H. Shepardson; a copy is in the Author's files. The reference in *QC* is p. 36.

⁴⁰ "The Two Bills," Transcript of C.B.C. interview of Sir William S. Stephenson by Shaun Herron; others participating: Earl Mountbatten of Burma, Ernest Cuneo, Col. Charles H. Ellis (Bermuda: The Island Press Ltd., April, 1968), p. 4 (pagination mine).

history mentioned above, as well as of what passes for gospel in the SIS today. In any case, a passage that drew Donovan's attention reads:

When Mr. Stephenson was first posted to the United States in June, 1940, one of the first people he got into contact with was General, or as he then was, Colonel Donovan. As a result of their discussions, the President sent Colonel Donovan over to London in July, 1940, ostensibly to discuss with the competent authorities, British methods of dealing with all forms of German propaganda; in fact his mission from the President was to ascertain the true extent of the German menace and to report on the methods as to how it could be stopped.⁴¹

In reading this Donovan circled the words "As a result of their discussions" and pencilled in the margin: "Did not know S[tephenson] then. I met him only after return." (See Figure 4.) This, of course, is impressive testimony which pits Donovan's memory against Stephenson's but which is so specifically focussed on a cardinal point as to seem controlling in the matter; and therefore its authenticity must be established. The covering memoranda show conclusively that this British draft had been submitted to General Donovan "for any comments that you think are called for," that "the General's corrections on the attached document" were noted, and that a subordinate was reminded to "please note the comments which the General has made on the attached manuscript which you forwarded to him."⁴²

Secondly, the SIS has offered a statement which clouds Stephenson's claim to having inspired the trip and conflicts with the claim to having accompanied Donovan to London:

From our own files, we can confirm that Stephenson certainly had *advance knowledge* of the visit and that Menzies acted as Donovan's mentor in UK. *He informed Stephenson that he was in daily touch* with Donovan and that, apart from stressing the determination of Britain to continue the war and emphasizing the importance to Britain of the release of the US destroyers, his main object was to ensure that Donovan met all the leading officials, Ministers and other relevant personalities.⁴³ (Italics mine.)

Stephenson could easily have had "advance knowledge" of the trip from Lord Lothian with whom he was undoubtedly in touch, but the text leaves one with the implication that that was all he had. That Menzies was writing to him, presumably in New York, and that Menzies was Donovan's "mentor" in London does not help the travel claim. That Menzies told Stephenson he was intent upon Donovan seeing the most important people certainly does jibe with Stephenson's own capabilities and his claim that he "arranged that he [Donovan] should be afforded every opportunity to conduct his inquiries."⁴⁴ This claim Donovan

⁴¹ "British Relations with OSS," *OSS Records*, Job No. 62-271, Box 29, Folder 2 (Type-script, p. 1). Accompanying memoranda indicate it was written before 16 October 1944.

⁴² *Ibid.* Accompanying memoranda are: Conyers Read to Donovan, 16 October 1944; O. C. D[oe]ring, Jr. to Lt. Bane, 3 November 1944; Lt. Charles A. Bane to Read, 7 November 1944. That the writing in the margin is Donovan's has been confirmed by a questioned document analyst, Dr. David A. Crown, in a letter to the author, 12 February 1970.

⁴³ SIS, *op. cit.*, para. 7 and 8.

⁴⁴ QC, p. 37.

BRITISH RELATIONS WITH O.S.S.

I. INTRODUCTION

In order fully to understand the relationship which has existed from the beginning between OSS and the British, it is necessary briefly to sketch the relationship between General Donovan, its Director, and Mr. W.S. Stephenson, the Director of British Security Co-ordination, and the representative in the U.S.A. of all the British secret organizations; and the activities undertaken by General Donovan which largely arose from this relationship before the formation of the Office of the Co-ordinator of Information, which was the predecessor of OSS, in July, 1941.

Did not know of them until met him in July 1940

When Mr. Stephenson was first posted to the United States in June, 1940, one of the first people he got into contact with was General, or as he then was, Colonel Donovan. As a result of their discussions, the President sent Colonel Donovan over to London in July, 1940, ostensibly to "discuss with the competent authorities, British methods of dealing with all forms of German ^{and Japanese} propaganda"; in fact his mission from the President was to ascertain the true extent of the German menace and to report on the methods as to how it could be stopped.

When in England Colonel Donovan saw all the leading figures in the British Government and had close contact with the head of British SIS, who was able to give him much information not then available to the U.S. Government or to the President. As a result of what he saw and heard, he was quickly convinced that, while the position was serious, the British Commonwealth had every intention of continuing the struggle and subject to certain assistance from the U.S.A., could not only hold out but could ultimately

Figure 4. Donovan says he met Stephenson after July 1940.

himself seems to have supported; for when he read the sentence "Lord Lothian . . . arranged for Donovan to see Churchill," he struck out "Lord Lothian" and in the margin wrote "Bill Stephenson."⁴⁵

Thirdly, there is not the slightest indication anywhere of a meeting of Stephenson, Donovan, Knox, and Stimson. Nothing shows up either in the letters of Knox to his wife or in the Stimson diary, and both cover this period quite well. Moreover, the known chronology of the destroyers-bases agreement makes it unlikely that these four men were meeting at that time to discuss the *legal* aspects of the deal.⁴⁶ Such a meeting was much more likely to have taken place in August, after Donovan's return, when the legal problems were really being faced, when Knox and Stimson, and especially Knox as Secretary of the Navy, were officially seized of the problem, and when Donovan himself, fresh from importunate conversations on the subject, was resolved to do something about it.

Finally, one wonders why, if Stephenson had suggested the trip and had traveled to London with Donovan, he was not present at the British Embassy when Knox, Donovan, and Casey of Australia had dinner with Lord Lothian and had, as Knox wrote his wife, so "much to discuss before [Bill] got away."

In this conflict of memories, the Stephenson story, first put to paper in 1944, and repeated thereafter, has only that tradition to support it; what evidence there is casts doubt on it or contradicts it. The likelihood is that Stephenson has read history backwards. He was to develop such a close and mutually fruitful collaboration with Donovan, was to make so many Atlantic crossings with him, was to play such a creative role in the establishment of COI, and was to be in such weekly, almost daily, contact with Donovan for the rest of the war, that it is quite probable he has unconsciously pushed the line of collaboration back to the beginning of the trip, transforming, in the process, "advance knowledge" into the conception of it.

Donovan's Trip to London

As has been mentioned, Donovan has left an account of how he happened to go to London. Like Stephenson's account, this also has given rise to a tradition, but it too leaves many questions unanswered. In an off-the-record address in 1941 before the prestigious Union League of Philadelphia he recounted how

Last July I was in Washington, appearing before the Military Affairs Committee of the Senate on the Conscription Bill and I was called to the White House. Being what I am [a strong anti-New Deal Republican], that was a very surprising invitation to me. I saw there the Secretaries of State and of War and of the Navy, and the Secretary of State was very disturbed

⁴⁵ Conyers Read, "Pre-COI Period," *OSS Records*, Job No. 62-271, Box 29, Folder 4 (Typescript, p. 5).

⁴⁶ For this chronology see: Philip Goodhart, *Fifty Ships That Saved the World: The Foundation of the Anglo-American Alliance*. (London: Heinemann, 1965), pp. 121-190; *passim*; Harold J. Sutphen, "The Anglo-American Destroyers-Bases Agreement, Sept. 1940" (unpublished Ph.D. dissertation, Tufts University, 1967), pp. 14-84. Throughout June the President was unconvinced of the practicability, to say nothing of the legal feasibility, of a transfer of destroyers. According to the naval historian, Samuel Eliot Morison, it was not until 24 July 1940 that an "agreement in principle" was reached on an exchange of destroyers and bases. See Sutphen, *op. cit.*, p. 27.

about conditions in South America. I was asked if I would go abroad, go to England, and see if I could learn something of what had been the activities of the Fifth Columnists in the various sections of the Continent that had then been taken over by Germany, and also if I could learn something how [sic] England was dealing with that problem. I said I would do it, and then other departments of the Government asked me to get certain information.⁴⁷

On the face of it then, the trip was conceived at the White House, sprung on Donovan without any prior notice, and proposed—though the text is vague—by Secretary of State Cordell Hull. But other evidence must be considered before these conclusions are reached.

On 10 July, Lord Lothian cabled London that Knox:

said to me *last night* that he was most anxious to make survey of the Fifth Column methods, as they have been disclosed in Norway, the Low Countries, France, etc. in order to warn the American public. He has appointed Edgar Mowrer, press correspondent now in England and Colonel 'Bill' Donovan who had a very fine war record in the American Expeditionary Force, was Assistant Attorney-General and may now become influential adviser of Colonel Knox to make investigations in England from official sources, refugees, etc. Donovan is leaving by boat or clipper end of this week. Colonel Knox has asked me to secure for them all reasonable facilities for getting information which can be [useful] to the American public but particularly privately for himself. I have assured him that you would see that both Mowrer and Donovan were given every facility. Could you send a telegram that you could do this which I could show him eventually? ⁴⁸ (Italics mine.)

A few hours earlier on 10 July, Hull cabled Ambassador Kennedy:

Edgar Mowrer of *Chicago Daily News* at the request of Secretary-designate Knox is now in England seeking data on fifth column activities there which might prove of value here. In view of the interest *Mr. Knox expressed to me* in this subject, will you in your discretion afford to Mowrer such assistance as you may find to be appropriate and advisable.⁴⁹ (Italics mine.)

Approximately thirty hours later, Hull sent Kennedy the following about Donovan:

Colonel Knox desires to send Colonel William J. Donovan to England for a brief survey and report on certain aspects of the British defense situation. The President has approved of this trip, and Colonel Donovan plans to leave New York on the clipper July 14, and will report to you on his arrival. We would appreciate any arrangements and preparations which would

⁴⁷ William J. Donovan, An Address delivered before the Union League of Philadelphia, 29 April 1941, *The Union League of Philadelphia: Annual Report, 1941*, pp. 80-95.

⁴⁸ Lord Lothian to F.O., No. 1311, 10 July 1940 (sent 11 July at 0210). *F.O. Papers*, A 3542/90/45 (1940).

⁴⁹ Hull to Kennedy, No. 1696, 10 July 1940 (Noon), RG 59, File 841.00N/9.

facilitate Colonel Donovan's mission. Colonel Donovan asks that reservations be made for him at Claridge's.⁵⁰ (*Italics mine.*)

It becomes clear that the initiative in this trip was being taken not by the Secretary of State, who, as a matter of fact, never had any particularly close relation with Donovan, but by the Secretary of the Navy. This is particularly clear when one appreciates the role of Edgar Ansel Mowrer, who gets prior billing in Lothian's cable and is mentioned by Hull thirty hours before Donovan. It almost leads to the conclusion, which the British were to make, that Knox was acting not as the Secretary but as the proprietor of the *Chicago Daily News*.

It also becomes clear that the White House meeting to which Donovan was summoned, must have taken place on the 9th, the day on which Knox informed Lothian of his plan to send Mowrer and Donovan to London. Between the 1st and the evening of the 8th, Stimson was not in town; and at 5:15 on the 9th, Knox and Stimson were at the White House with the President; an hour earlier Knox had met with Hull at the State Department; and while there is no documentation that Hull was at the White House on that date, he could easily have walked across the lane with or shortly after Knox.⁵¹

Knox's role shows up strongly in the letters of introduction, which were written for Donovan, and practically all of which were written on the 11th. Knox himself, in writing to Lord Beaverbrook, then Minister of Aircraft Production, stated that Donovan was abroad "on an official mission for me, with the full approval of the President." He hoped that Beaverbrook would be "as frank in talking to him as you might be in talking to me if I were able to go over myself."⁵²

That last clause may contain the gist of the original idea; one of the letters of introduction written at Knox's request reads:

Colonel Knox had hoped to make this trip to England himself to investigate first hand the question and methods of modern defense, both from a physical and a morale standpoint, but finding it impossible to do so at this time has prevailed on Colonel Donovan, who is eminently qualified, to do this job for him.⁵³

By itself, the preceding sentence may be factual or conventional dressing, but the former seems more likely when it is realized that such an idea was hardly less than instinctive with a man who was a newspaper publisher, a national political campaigner, and a newly-appointed cabinet officer. Evidence of how his mind worked in December 1941, may shed some light on how it *could* have worked in July 1940. He gave the following account to Paul Scott Mowrer of how he came to travel to Pearl Harbor shortly after 7 December:

That trip of mine to Hawaii was an inspiration that came to me just as I heard the President read his message. Immediately, the air was filled

⁵⁰ Hull to Kennedy, No. 1722, 11 July 1940 (1700). *ibid.*

⁵¹ *Stimson Diary*, entries for 25 June, 9 July 1940. Hull "Desk Diary," 1940, LC, Manuscript Div., Container 67B.

⁵² Knox to Beaverbrook, 11 July 1940. *Donovan Papers*, Job No. 65-508, Box 70, Item 3 (Vol. 34), cited hereafter as *Donovan Papers*, Vol. 34.

⁵³ John D. Biggers to Col. R. W. Weeks, 11 July 1940. *ibid.*

with rumors. There was a prospect ahead of a nasty congressional investigation, and I made up my mind in a flash to go out there and get the actual facts, and if the facts warranted it, to initiate the investigation myself.⁵⁴

Did something like this happen to the new Secretary of the Navy as he contemplated the collapse of France, the imminence of a Nazi assault on Britain, and the insidious threat of political termites, a Fifth Column that threatened not only Europe but the entire Western Hemisphere? If it did, and inasmuch as his new responsibilities kept him closer to Washington, then who was a better substitute than his friend Bill Donovan who needed nobody to suggest a place to visit, who had been to Ethiopia in 1936, to Spain in 1938, who had toured Germany in 1939, and who, like Stephenson, was to make many Atlantic crossings throughout the war?

In the absence of contradictory evidence, it seems reasonable to conclude that at the meeting of the Secretaries with the President either Knox proposed the trip and, realizing that he himself could not go, suggested Donovan go in his stead, or someone else proposed the trip and Knox quickly suggested the name of his good and much-travelled friend.

"Bill left [Washington] at midnight for New York." Some time on the 14th he telephoned his wife that he was going abroad on "a secret mission."⁵⁵ His flight, which was scheduled to leave at 3 p.m., did not depart until 4:05. He left "on what he said was private business," but he was "in possession of what customs men said was a special passport from Washington. He declined to discuss the nature of the 'private business'." Among the six other passengers were Jean Bodard and Edward B. Amouroux of the French Purchasing Commission, and Charles C. Goetz of a Portuguese arms missions.⁵⁶

As he left New York, he probably had no idea how much confusion the trip had already generated in London.

⁵⁴ Knox to Mowrer, 18 December 1941, *Knox Papers*, Box 1.

⁵⁵ Letter from Mrs. William J. Donovan to the Author, 20 May 1968. The information was taken from Mrs. Donovan's "line-a-day," a diary which she kept at the time.

⁵⁶ *New York Times*, 15 July 1940, p. 28, col. 2.

Chapter IV

DONOVAN: TO AND FROM LONDON

However the trip originated, it took shape so quickly that the visitors, Mowrer and Donovan, were either on the scene or on the way before their hosts, Ambassador Kennedy and the British government, really knew what was going on. Mowrer, who was in Spain and Portugal at the time, was ordered by Knox to fly to London and put himself at Donovan's disposal,¹ and was thus the first to arrive, to the anger of Kennedy and the confusion of the British. It was from Mowrer, apparently, that Kennedy first learned of Donovan's imminent arrival, and from the British Kennedy was soon receiving calls asking for clarification of the status of the correspondent whom the new Secretary of the Navy was sending to them.²

An Angry U.S. Ambassador

Kennedy, who had been notified of Mowrer's arrival by Hull's cable of the 10th and of Donovan's coming by a separate cable of the 11th, 30 hours later, exploded on the 12th. For his part, Mowrer was a newspaper man butting in on the normal working of both governments, and it was "utter nonsense" that various officials of the British government should have to query him on Mowrer's status.³ As for Donovan, he would be happy to make any arrangements or preparations if he only knew "the nature of his mission." As indicated, Hull had only told him that Colonel Knox desired to send Donovan to England "for a brief survey and report on certain aspects of the British defense situation." In any case, the British preferred to deal with "permanent attachés" and have "frequently declined to furnish information to anyone else." Kennedy further considered that his staff was doing its job perfectly well, and "to send a new man in here at this time, with all due respect to Colonel Knox, is to me the height of nonsense and a definite blow to good organization."⁴

Kennedy's explosion was as much the latest in a series of frustrations and humiliations, as he saw them, at the hands of the President, as of annoyance and anger at not being consulted prior to the sending of Mowrer and Donovan. For instance, at the outbreak of war, he had been "furious" because he had not learned earlier than he did of the projected but subsequently abandoned purchase

¹ Edgar Ansel Mowrer, *Triumph and Turmoil: A Personal History of Our Times* (N.Y.: Weybright and Talley, 1968), p. 315.

² Tel. from Kennedy to Hull, No. 2113, 12 July 1940 (1700), RG 59, File 740.0011 EW 1939/4571 1/3. Kennedy wrote: "I had been advised this morning . . . Donovan was coming by Mr. Mowrer . . . [he] said he had been instructed to stay here and go back with [Donovan]."

³ Tel. from Kennedy to Hull, No. 2133, 12 July 1940, *ibid.*, File 740.0011 EW 1939/4571 2/3.

⁴ Cf. n. 2, *supra*.

by the U.S. of both the "Normandie" and the "Queen Mary."⁵ So later, on the 12th, in replying to Hull's second cable, the Ambassador denounced the Mowrer mission as "utter nonsense," and anyhow: "We are making an investigation here on this subject [the Fifth Column] and [Harvey] Klemmer of my office is handling it." Unless ordered otherwise, he intended to tell the British that Mowrer was just a newspaper man who was not "entitled to confidential files and discussions with Government officials." As a final blast he warned: "If Colonel Knox does not stop sending Mowrers and Colonel Donovans over here this organization is not going to function effectively."⁶

Still on the 12th, he called the State Department on the trans-Atlantic phone, not exactly an unusual thing for him to do, and asked Under Secretary Sumner Welles to lay before the President the cables he had received from Hull along with his own strong protest against the whole procedure. FDR forwarded the papers to Secretary Knox with the note: "Please take this up with Secretary Hull and try to straighten it out. Somebody's nose seems to be out of joint!"⁷

The next day Kennedy cabled a strong request to Washington that Mowrer's assignment be called off. "I am definitely sure that this whole picture," he wrote, "is full of dynamite." He complained that the British thought Mowrer had an official capacity, that the Embassy was put in the position of backing one paper against others, that Mowrer was not needed, and finally: "It is most embarrassing to me."⁸

Meanwhile, State endeavored to clarify Mowrer's role and mollify its ambassador. Hull reported that he had been advised by the Secretary of the Navy that the latter was taking "these steps in his official capacity" and that he was intent on gathering "comprehensive material as to the methods of subversive activities and propaganda the Germans are now using . . . for general distribution . . . to all the press." Mr. Kennedy was assured that Colonel Knox appreciated "the excellent reporting of the Embassy" and did not desire to interfere in any way with either the Embassy or the service attachés. With this cable State had the last word.⁹

Was Kennedy the victim of a "calculated snub" by the President? This statement has often been made, and certainly Kennedy would have affirmed it, and there probably was enough coolness between Kennedy and Roosevelt to give rise to it.¹⁰ But the speed of events suggests there was less "calculation" than thoughtlessness or indifference. The Navy, for instance, did not notify its Naval Attaché in London, Captain Alan G. Kirk, that he soon would be responsible for the care and custody of Colonel Donovan, a high-level visitor from

⁵ John Morton Blum, (ed.), *From the Diaries of Henry Morgenthau, Jr.*, Vol. 2, *Years of Urgency, 1938-1941* (N.Y.: Houghton, 1965), p. 96.

⁶ Cf. n. 3, p. 33, *supra*.

⁷ Welles to Roosevelt, 12 July 1940, and Roosevelt to Knox, 13 July 1940, Washington Navy Yard, U.S. Navy, Chief of Naval Operations, Central Files (Classified), File A8-2/EF13 CONF., cited hereafter as *CNO Files*.

⁸ Kennedy to Hull, No. 2147, 13 July 1940, *ibid.*, File 841.00N/9 1/2.

⁹ Hull to Kennedy, No. 1776, *ibid.*, File 740.001 EW 1939/4571 1/3.

¹⁰ QC, p. 37. The statement therein is repeated in Richard J. Whalen, *The Founding Father* (N.Y.: The New American Library, 1964), p. 303. For Kennedy's attitude see Arthur Krock, *Memoirs: Sixty Years on the Firing Line* (N.Y.: Funk and Wagnall's 1968), p. 335.

the Secretary of the Navy himself, until Kirk had advised his superior to read the Kennedy-Hull cable traffic of 12 July.¹¹ Like Kennedy himself, and the British, Kirk also had to catch up with events.

Confused Britons

While the Americans were regularizing the situation, the British were engaged in the same business. At the same time that Lothian was informing London of the approach of the two visitors, Mowrer was knocking on various Whitehall doors, especially on the door of Lord Swinton, who ran the Home Defense (Security) Executive, an enlarged M.I. 5 operation. Swinton had no trouble as long as he and Mowrer discussed general questions and the 5th column on the continent, but the Britisher wanted to know what he was to do with this inquiring newsman who "finds us interesting and helpful and will be a frequent visitor."¹²

Other officials were no less perplexed. One opined that in sending Mowrer, "Colonel Knox was speaking as proprietor of the *Chicago Daily News* rather than as Secretary of the Navy. Otherwise the request should have been put forward by the State Department." He also asked: "To what quarters are the appointees of Colonel Knox [to] be told to address themselves? (One of them is here already)."¹³ The Foreign Office cabled Lothian as late as the 16th: "Please telegraph urgently whether status of Donovan and Mowrer as regards this investigation is official or journalistic, in order that we may know how to treat their further requests for information."¹⁴

Even Mowrer was not certain of his status, for in the cable of 16 July the Foreign Office declared that "Mowrer believes that investigation is being carried out for official purposes." This merely echoed an earlier marginal note that Mowrer did not think he was acting "on behalf of the *Chicago Daily News*," and, anyhow, the writer thought Mowrer should get together with Donovan as soon as he arrived in order "to avoid reduplication."¹⁵

The British got no enlightenment from the U.S. Embassy, which was not only uncertain about Mowrer's status but whose Ambassador also looked upon Mowrer "with disfavor as a newspaperman employed by Colonel Knox apparently for his own paper."¹⁶ In time the Foreign Office and the Embassy had representatives get together to clarify the matter. These gentlemen fell back on a "two hats" theory and concluded, whether with or without a straight face is hard to say, that Mowrer was both an official representative and a newspaper correspondent, that he had "two wholly separate positions," and that it would

¹¹ Tel. from Kirk, 12 July 1940, and tel. received by Kirk, 14 July 1940, *CNO Files*, Kirk Papers, Series I, 1939-1941.

¹² Letter from Swinton to Lord Halifax, 15 July 1940, *F.O. Papers*, A 3542/90/45 (1940) No. 231.

¹³ J. V. Perowne, 12 July 1940, in two comments on Lothian's tel. No. 1311, 10 July 1940, *ibid.*, A 3542/90/45 (1940).

¹⁴ F.O. to Lothian, No. 1542, 16 July 1940, *ibid.*, A 3542/90/45 (1940) No. 231.

¹⁵ Charles Peake, 15 July 1940, in a note on folder containing the related cable traffic.

¹⁶ *Ibid.*

be necessary, therefore, in each case to determine whether he was acting as a correspondent of the *News* or a representative of the Secretary of the Navy!¹⁷

Meanwhile, Lord Lothian was sending a series of cables to London explaining Mowrer's mission and stressing the importance of Donovan as a potentially valuable friend because he was a close advisor of the Secretary. On Mowrer, Lothian told London on 18 July that "Knox does not want information for the *Chicago Daily News*. He wants part of it [for the] F.B.I. here and the balance for dissemination through the press so as to explain to and warn the public about characteristic 5th column activities against which they should be on their guard."¹⁸

On Donovan, Lothian was emphatic. On 10 July, when he sent his first cable on the subject, he said he had assured Colonel Knox that London would provide Mowrer and Donovan with every facility. The next day he said: "I think it would be very well worthwhile for the Prime Minister to see him [Donovan] when in London. On the 13th he cabled Alfred Duff Cooper, the Minister of Information: "I told Colonel Donovan to go and see you as soon as he arrives. . . . He will tell you what he wants. Please arrange with him to [meet] the people he wants to see. He may exercise considerable influence here on his return owing to his close association with Mr. Knox." Again, on the 15th Lothian cabled:

Have had letter from Frank Knox saying Donovan is going to England as he is [sic] representative on a very important mission which has full approval of both the President and the Secretary of State. Knox is most anxious that Donovan should have the opportunity of meeting the Prime Minister and I hope very much that this can be arranged and that Donovan can also be put in touch with other leading personalities at home.¹⁹

By this time, London had a firmer handle on the situation. When Donovan arrived on the 19th, he was met by Captain Kirk's duty officer and ensconced in Claridge's, as he had asked, and the following day began a round of visits and calls that indicated the British were happy to see him even if Kennedy was not.

The Red Carpet

With Kirk taking the initiative, and other Britishers and Americans joining in, Donovan saw in two weeks as many important people, visited as many different civil and military establishments, and discussed as wide a variety of subjects as was humanly possible and as only a very high level visitor could have had the opportunity.

He saw the King and Queen; and, reconstructing the event, this probably occurred at the home of Lady Astor at 4 St. James Square on Tuesday, 30 July, in the middle of a two-day tour of various coastal command installations.²⁰

¹⁷ Frank Darvall to T. N. Whitehead, 18 July 1940, *ibid.*, A 3542/90/45 (1940) No. 234.

¹⁸ Lothian to F.O., No. 1395, 18 July 1940, *ibid.*, No. 230.

¹⁹ Lothian's tels.: No. 1311, 10 July, No. 1338, 13 July, and No. 1366, 15 July 1940, *ibid.*, Nos. 227, 228, and 229 respectively.

²⁰ Letter from Lady Astor's secretary to Donovan, 27 July 1940; telephone message from same to WJD, 29 July; Chief of Air Staff's program for WJD, 30 July 1940; and note by Donovan, undated, showing "Lunch K[ing] Q[ueen]-Astor, 4 St. James Sq 1:15," all in *Donovan Papers*, Vol. 34.

Just how the meeting with the Prime Minister was arranged cannot be determined, but many people were quite clearly endeavoring to arrange it. Knox had requested it; Lothian had urged it; undoubtedly, Stephenson had lent his weight in that direction. The chief diplomatic advisor to the Foreign Secretary, Robert Vansittart, writing as though no one had informed the Prime Minister of Donovan's presence in the country, and looking for the proper occasion for Churchill to send another message to Roosevelt regarding the need for destroyers, sent the following note to the Prime Minister:

And in this connection I would like also to make another suggestion:— There is at the present moment over here a Colonel William Donovan (he is staying at Claridge's), who is one of the best soldiers produced by America in the last war. He afterwards became one of the most successful lawyers in the country. He was for a time Assistant Attorney-General under Hoover [Coolidge] and has an enormous practice of his own. He is a Republican, but he is a friend of Roosevelt and has been sent over here on a mission by consent of the two political parties in the United States, his real object being to collect as much information as would be useful in the event of America coming into the war. He is returning to America almost at once. Would it not be possible for you to reinforce any cabled message you may have sent or be sending to Roosevelt by a personal message sent through Donovan? It would be very easy to introduce the subject in the course of a ten minute conversation with him; if you could spare the time I think that in any event you should see him for a short while. He is an important person, and will be still more important to us in the future. And it would probably pay to give him this pleasure.

This was written on 23 July; and Churchill penned on it, on the 25th: "I am meditating a message (today or tomorrow)" and at the top of the page was written: "Colonel Donovan has been asked to call to see the P.M. at 5:30 p.m. on Thursday, July 25th."²¹

In the meantime, other arrangements were also being made to bring the Prime Minister and Donovan together. Lady Diana Cooper invited the Colonel to dinner on Sunday, 28 July, in order to meet the Prime Minister. Ironically enough, this coincided with another invitation for dinner on the same day, this time with Ambassador Kennedy at his residence. Since *The Quiet Canadian* makes the point of stating: "One person Donovan did not see in London was the defeatist Ambassador Joseph Kennedy," and since this has been repeated in many accounts of Donovan's visit to London, it is well here, and fair to both men, to set the record straight.

Donovan did see and did dine with Kennedy. Whether or not he needed the urging of Captain Kirk to do so is not demonstrable, but Kirk did exert himself to bring about the meeting. On 25 July Kirk informed Donovan of the Ambassador's dinner invitation and asked him to "confirm these arrangements as Mr. Kennedy is rather particular about knowing whether you are coming Sunday night or not." Again, on the 27th, he wrote: "Having learned of the

²¹ Robert Vansittart to Churchill, 23 July 1940, *Churchill Papers (Premier Three)*, Great Britain, Cabinet Office, Historical Section, Box 145, Folder 463 (miscellaneous). Hereafter these papers will be cited as *Churchill Papers*.

possible complications for Sunday evening, I offer you, in the most friendly way, my personal suggestion:—to wit: Come to the Ambassador's dinner." After arranging to meet him that evening, Kirk concluded: "I think it would be a mistake indeed if you are diverted to another party that night—and the details have been given to me, so I realize all the ramifications."

The best, and surely conclusive, evidence that Donovan did pass up Lady Cooper's party in order to be with the Ambassador at St. Leonard's just outside Windsor is the following charming message from the Lady herself to "Dear wild Colonel:"

Thank you so much for the yellow roses. They comforted me a little for your absence. I was so disappointed that the interest of our two countries came between us.

I am happy to tell you that Winston was in his most engaging and invigorating form and I am sure you would have enjoyed it enormously. I had too, for your delight, the beautiful Eve Curie and my prettiest niece. I hope you had a hideous evening with Joe and I hope too that you will lunch or dine another day.

And just to complete this side story, the following telephone message to Donovan indicates that the latter had endeavored to return the dinner favor: "His Excellency the American Ambassador telephoned Colonel Donovan to say that he regrets that he will be unable to lunch with him on Friday next, but he is attending a Red Cross luncheon at Claridge's the same day."²²

The head of the British secret service, Colonel Menzies, has already been described by the SIS as having acted as Donovan's "mentor" while in Britain. Menzies' name shows up on two scraps of paper found in Donovan's files—as do numerous other names on other scraps; one notation is followed by "Sunday—11:30, 54 Broadway," the SIS headquarters. Donovan did write to Menzies after he returned to the States in August and indicated that he was "in touch with many of your representatives here" and have "checked with them"; but the context is clearly related to the "harder blasting" which the British were then taking from the *Luftwaffe* and the continuing belief of Donovan that the British would survive. Perhaps the most meaningful comment made by Donovan was his acknowledgement: "I know that it was due to your thoughtfulness in opening so many doors that I was able to tell our people in authority the reasons for my conclusions that gave them confidence in my report." For what it is worth, Donovan made no such acknowledgement to any of his other English correspondents; and "opening doors" had been Menzies' "main objective" in assisting Donovan.²³

An intelligence official with whom Donovan seems to have developed a more personal rapport was the Director of Naval Intelligence, Admiral John H. Godfrey. This contact had been initiated by a conventional letter of introduction from Godfrey's American counterpart, Admiral Walter S. Anderson to Captain Kirk,

²² Telephone message from Lady Cooper to WJD, 25 July; Letters from Kirk to WJD, 25, 27 July; Letters from Lady Cooper to WJD, 27, 29 July; telephone message from Kennedy to WJD, 31 July 1940; all in *Donovan Papers*, Vol. 34, QC, p. 37.

²³ Donovan to Menzies, 27 August 1940, *Donovan Papers*, Vol. 34.

and then given more substance by Kirk, who had recently developed close relations with Godfrey. The latter met with Donovan during a two-day program that Kirk had laid on for him in the Admiralty, and Godfrey was to have a hand in making "detailed arrangements" for Donovan "to consult people conversant with your special line"—presumably the Fifth Column. The two men met at Godfrey's home for a lengthy discussion the night before Donovan left for home;²⁴ and Donovan told Godfrey what he was going to do when he returned: his intentions were embodied in a "precis," which Godfrey immediately sent up the line to the First Sea Lord, the First Lord, and the Prime Minister. According to this:

Donovan urged the appointment of a 'sensible ambassador,' who would go back and forth across the Atlantic and keep the two countries in touch . . . Donovan took back the suggestion of full collaboration in intelligence and access for the British to US consular officers' reports, especially from the French ports and North Africa. He recommended direct liaison between Godfrey and the American DNI, as well as the starting of direct and secret communications through special signal systems.²⁵

This is a plausible account of things the two men might have discussed, but there is no echo of it in any documents.²⁶ A hint of it may be found in the letter Donovan wrote Godfrey on 27 August when he reported to the DNI on what he had done for him in regard to destroyers, the bombsight, and "various items." He wrote: "The other items in our little agenda I am sure are being cared for." What "items" in what "little agenda"? Queried in 1968 as to whether "our little agenda" and the "precis" are the same document, Godfrey could only write: "Alas, I have no copy, but the destroyers and the bombsights were the most important."²⁷

In dwelling at some length on these meetings with Menzies and Godfrey, one runs the risk of distorting their place in the context of Donovan's journey. Similar paragraphs of fact, evaluation, and speculation could be written on Donovan's encounters with Air Commodore J. C. Slessor, Brendan Bracken, Valentine Williams, Robert Vansittart, Sir Cyril Newall, General Malden, Geoffrey Cunliffe, Lord Gort, and almost countless others. Indeed, it would be tedious just to list and title them all.

He met everybody, and while he visited many military installations, especially air facilities and training establishments, his conversations and meetings ranged encyclopedically over the full gamut of military, political, economic, and social factors and problems relevant to the waging of war, in particular, to the

²⁴ Anderson to Donovan, 13 July; two letters from Kirk to Donovan, 22 July; the reference to "your special line" is in Kirk's letter to Donovan, 21 July 1940, *ibid.*

²⁵ McLachlan, *Room 39*, pp. 226-27.

²⁶ The writer is aware that the Anglo-American exchange of secret information, which was being developed in 1940-1941, is a much larger subject than his own; and he suspects that Godfrey, in providing material to McLachlan years after the fact, may have confused discussions with Donovan and other discussions to which he was privy.

²⁷ Letter from Donovan to Godfrey, 27 August 1940, *Donovan Papers*, Vol. 34. Letter from Godfrey to the Author, 12 December 1968.

defense of England against the Nazis. He went to make "a brief survey," but he covered the waterfront in such catholic fashion that Vansittart seems not far wrong when he informed the Prime Minister that Donovan's "real object" was to collect as much information as would be useful in the event of America coming into the war.

One name more, however, must be mentioned; in view of the British confusion and Kennedy's anger at the outset of this trip, something must be said of Edgar Ansel Mowrer. At the outset he too had problems; by a combination of "intrigue, influence, and bluster" he and his wife finally obtained airplane seats for the flight to England. After he had put himself at the disposal of Donovan, he proceeded "as a newsman . . . to poke my nose into everything and ask indiscreet questions." He and his wife "visited several defense centers and shuddered at the lack of military preparations;" they too talked to everybody and dined with the Churchills at No. 10 Downing Street. Before they left London, Donovan and Mowrer agreed they would report to Roosevelt that "Britain under Churchill would not surrender either to ruthless air raids or to an invasion."²⁸

Donovan left England at 2:00 p.m. on 3 August in a four-motored British flying boat, the "Clare," which was camouflaged with green and blue patches. The "Clare's" flight marked the resumption of trans-Atlantic passenger service, the first such run since the interruption of service in October 1939. The trip had been arranged by the Chief of the Air Staff, who also threw in some champagne. Brendan Bracken added some books "to mitigate the tedium of the journey." Even so, Donovan told Colonel Raymond E. Lee, the U.S. military attaché, that the trip home "was as boring as the Clipper" on the outward flight. Perhaps the only significant thing about the boring trip is the passenger list, which showed only two other persons beside Donovan, Mr. C. R. Fairey, an English airplane manufacturer, and Geoffrey Cunliffe, traveling as an official of the British Air Ministry. Both the travel arrangements made by the British and the *New York Times* account agree on this matter, and thus they undercut Stephenson's claim to having returned with Donovan.²⁹

Reporting to Washington

Donovan returned to a round of meetings with top American officials. He arrived in New York at 7:00 p.m. on Sunday evening, 4 August, and the next morning he spent an hour with Secretary Knox in Washington.³⁰ That evening the Secretary had as dinner guests Donovan and Mowrer, as well as Admirals Stark and Anderson, Assistant Secretary of War Patterson, General Sherman Miles, James Forrestal, the new undersecretary of the Navy, and John O'Keefe, Knox's secretary and friend of *News* days. Both Donovan and Mowrer, Knox wrote his wife, "were extraordinarily interesting and we had a long evening of talk—very informative. Both men brought home a great fund of useful informa-

²⁸ Mowrer, *op. cit.*, pp. 315-17.

²⁹ Details on the trip are found in letters from Donovan to J. C. Slessor, 5 August, to Brendan Bracken and to Sir Cyril Newall, 27 August, and to Lee, 28 August 1940. These and the Air Ministry's passenger list are in *Donovan Papers*, Vol. 34. The plane's arrival was reported in the *NYT*, 5 August 1940, p. 1, col. 3. WJD was described as "the only passenger" for N.Y.

³⁰ Letter from Donovan to Slessor, *loc. cit.*; 6 August 1940, p. 3, col. 4.

tion." The two were "inclined to think the British can defeat an attempted invasion. They agree morale is high, but say British equipment is deficient."³¹ This emphasis on morale and the need to replace the vast quantities of equipment lost in the Battle of France were among the major points Donovan was to make in this and other meetings with American officials.

On the evening of 6 August Donovan, along with Assistant Secretary of War Patterson and his wife, were dinner guests of Secretary and Mrs. Stimson. In his diary, Stimson noted that Donovan's trip had been "taken on the instance and at the expense of Frank Knox"; the latter phrase must refer to Knox in his official capacity. Again, Donovan told "a very interesting story," because, as Stimson noted, "he had come into contact with all the Chiefs of the British Army; had been taken all over their countries [sic] and had gone up and down the Islands, so that he knew everything an outsider could learn." While stressing British morale, Donovan did see as "the greatest danger in the future" a "letdown" in morale which could develop if the expected invasion did not materialize and when "the long boring days of winter set in." He "laid special emphasis" on the home defense units, the role of women and older men in these units, and their need for 250,000 Enfield rifles. On a larger scale, the need for destroyers, a subject then greatly occupying the minds of British and American officials, was pressing.³²

In these and the next few days Donovan met with members of both houses of Congress and most of the cabinet, but, with one exception, no record of these encounters seems to have been made. He did stress with some congressional groups concerned with the passage of the controversial conscription bill "the importance of having training before war is upon them."³³ Otherwise, he would undoubtedly have only repeated what he had told the Knox and Stimson parties.

The President, at a White House press conference on the 6th, had refused to discuss Donovan's mission, and this had certainly been standard policy for everyone from the moment the trip was planned. Three days later, at another press conference on the eve of an inspection trip to New England, the President stated, in answer to a question about Donovan: "Oh, I will tell you who is coming up with [Secretary Knox] and going to be on the train and going down on the Potomac: Bill Donovan, so he can tell me what he found on the other side when he went over." When pressed for "any indication of the nature of Donovan's mission abroad," he replied: "I cannot, and he won't tell you."³⁴

What Donovan told the President, after joining him at the Hyde Park railroad station on 9 August and in the course of the next two days, must be pieced together from letters he wrote later in the month to friends in England and from what he was to tell, a few days hence, a group of Army and Navy officers at a

³¹ Letter from Knox to A. R. Knox, 8 August 1940, *Knox Papers*, Box 3.

³² *Stimson Diary*, entry for 6 August 1940.

³³ Letter from Donovan to Lee, 28 August 1940, *Donovan Papers*, Vol. 34.

³⁴ Letter from Elizabeth B. Drewry, Director of the FDR Library, Hyde Park, to the author, 22 November 1967.

luncheon for him hosted by General Miles:³⁵ that Britain would withstand a German invasion, that British morale was excellent, and that the military needs of the country were both great and urgent.

For his listeners, Donovan, who had studied the British defenses and had discussed them not only with Britishers who tended to give him an encouraging view but also with more dispassionate American observers like Kirk, Lee, and Colonel Carl T. Spaatz, ticked off the factors that would give the British the edge: the excellent organization of the coastal air command, the dispersal of British airfields, the camouflage of these fields and the shelters provided for the planes, the barbed wire and machine gun on the coast, and the various defense zones well organized behind the coastal defenses. Donovan was reported so sure the Germans would be frustrated, assuming that they would dare to attack—which he doubted—that he was already considering if they could take the offensive next spring.”

These “conclusions,” Donovan communicated to the President and all others with considerable vigor and conviction. In his letters to friends in London, he repeatedly referred to “the healthy” effect which his report had on the mood of his listeners. In December, when back in England, for a second visit, he was quoted on his meeting with the President:

. . . on his return to Washington . . . he had found the Administration in a mood of extreme depression to which, he remarked sourly, Mr. Kennedy had himself largely contributed. Without any self-conceit he took credit to himself for having been instrumental in giving impetus to the Destroyers-Bases Agreement, saying that he had been at great pains in an interview with the President, who had at first tended to make the interview a monologue, to dwell upon our excellent prospects of pulling through.³⁶

Donovan had come back not only to report on and evaluate the British prospects, and not only to bolster morale, but also to press at the highest level for the supplying to the British of the supplies they so badly needed from the United States. Destroyers topped the list; behind them came the Sperry bomb sight, flying boats, Flying Fortresses, and many aspects of the critical need of the British for pilots, air instructors, training aircraft, training facilities, and especially U.S. government cooperation in solving the nice political and diplomatic problems involved in extending such aid to a belligerent. On these Royal Air Force necessities Donovan was to spend much time throughout the autumn.

The destroyers, however, drew most of his attention, for on his return he found the President, Knox, Stimson, Hull, and numerous other official and unofficial advisors wrestling agonizingly with the legal, legislative, and political complexities of the deal. There is no question but what Donovan con-

³⁵ These letters were written to Menzies, Godfrey, Bracken, and Newall on 27 August, and to Ronald Tree and Lee on 28 August 1940, and are in *Donovan Papers*, Vol. 34. The luncheon is described in a memorandum from Captain W. D. Puleston to Secretary of the Treasury Henry Morgenthau, Jr., in the *Morgenthau Diary*, FDR Library, Book 301, pp. 153-6, cited hereafter as *Morgenthau Diary* and not to be confused with *From the Morgenthau Diaries*.

³⁶ Record of Conversation of T. N. Whitehead with Donovan, 19 December 1940, *F.O. Papers*, A 5194/4925/45 (1940) No. 541.

veyed to all these men the British sense of urgency. When he said he had been "instrumental in giving impetus" to the agreement, he was making a modest claim. Lord Lothian cabled London that "Donovan helped a lot."³⁷

There also seems no question but that he was in touch with Stephenson on this matter at this time. For the Canadian it was a matter of the highest priority ever since the request for destroyers had first been communicated to the U.S. by Churchill on 15 May. On 8 August, Stephenson cabled London that Donovan was strongly urging the British case; Lothian sent his appreciation a week later; on 21 August, Stephenson advised London: "Donovan believes you will have within a few days very favourable news;" on the 22nd Stephenson announced that "the figure of fifty destroyers had been agreed by the President and that forty-four were in commission for delivery." That Stephenson and Donovan were now in close touch seems evident from the telegram Donovan himself sent to London apparently just hours after Stephenson sent his:

Informed that 50 destroyers were agreed last night. 44 are in commission available for delivery. Present intention all to be delivered to Halifax beginning so soon as British crews are available. Impression in Navy Department that British crews have not yet sailed.

Knox remarked that there will be a hell of a row in Congress tonight but die is already cast.³⁸

Did Donovan provide more than an "impetus" to the agreement, which still had hurdles to leap? Stephenson has said that Donovan also played a role as a lawyer in this matter which was half constitutional law and half domestic politics. Lord Louis Mountbatten, speaking many years later, stated: "The great contribution that General Donovan made as a lawyer was to find a way by which [the agreement] could be done without having to go to Congress."³⁹ Members of Donovan's law firm, then known as Donovan, Leisure, Newton and Lombard, reportedly recalled writing briefs on the subject.⁴⁰ None of the literature mentions a Donovan role here. This firm, however, of which Donovan was the senior partner and co-founder, and which was then located at Two Wall Street⁴¹ in New York, was and is one of the city's large and respected firms. It is therefore not hard to imagine, elusive though proof may be, that Donovan, so deeply seized with the needs of Britain in the summer of 1940, should commission his subordinates to address themselves to the legal problems which so largely delayed consummation of the deal.

There was at least one other item of business that Donovan took up with the President and others: the Fifth Column, the threat on the horizon that played

³⁷ *QC*, p. 39.

³⁸ For Stephenson's cables, see *QC*, pp. 38-39. Donovan's cable is in *Churchill Papers*, *loc. cit.*

³⁹ Speech given by Admiral Louis Mountbatten, upon presentation to him of the William J. Donovan Medal, on 21 March 1966, in New York, pp. 4-5, Author's files.

⁴⁰ Otto C. Doering, Jr., private interview, N.Y.C., 6, 8 October 1969. Doering was a member of the firm before and after the war and worked closely with Donovan in COI and OSS.

⁴¹ In 1973 the firm, now named Donovan Leisure Newton and Irvine, moved uptown to 30 Rockefeller Plaza.

so prominent a role in the inception of the trip, a new military-political phenomenon that was agitating many Americans—and not just the easily-frightened. Donovan told Bracken, Churchill's secretary, that the "Administration was very anxious that something should be said about fifth columnists and hence the articles" which he and Mowrer wrote jointly and which Knox, who wrote a preface for them, had disseminated to the press. Donovan told Menzies: "You may have noticed that I identified my name with certain articles that were appearing. This was done at the instance of the President . . ." ⁴² The articles drew more praise from that inveterate letter-writer, Felix Frankfurter, than from either the State Department or the British Ambassador. Justice Frankfurter sent Knox a note of praise of Donovan, Mowrer and Knox himself for the public service they had rendered.⁴³ State, treasuring its own report on the Fifth Column, which had been prepared by Klemmer at the Ambassador's direction, described the articles as "very general in character" and as containing little not already known; moreover, in view of the fine relations between the Embassy and Whitehall, it did "seem ironical that a newspaper correspondent would be commissioned to undertake such work." ⁴⁴ Lord Lothian cabled:

With the exception of the fourth, these articles are rather slight and I cannot say that they have caused any stir. They certainly hardly justify Colonel Knox's prefatory claim that they contain the results of Messrs. Donovan and Mowrer's "careful study, made with every official source available."

The appropriate rejoinder to this depreciation was made at the Foreign Office by J. V. Perowne who noted on Lothian's cable: "The importance to us of Colonel Donovan's visit to London is not to be measured by the 'weight' of these articles or even of the attention they may attract in the U.S. or elsewhere." ⁴⁵ He did not go on to specify that "importance," and there is probably no reason to think Lothian really had to be enlightened. Several days earlier, for instance, a measure of that "importance" was brought to the attention of London, when Arthur Purvis of the British Purchasing Commission cabled London that as a result of the welcome accorded Donovan and because of the extent to which secret information had been disclosed to him, "Colonel Donovan was working with great energy in our interest. We now had a firm friend in the Republican camp [with the presidential election in process] and this was proving of immense value." ⁴⁶

Donovan has already been quoted as saying that after he had been asked to go to London ". . . other departments of the Government asked me to get certain information." These and many other requests of his own he had levied on the British when in London. The replies had begun to come in even before

⁴² Letters to Bracken and Menzies, *loc. cit.*

⁴³ Letter from Frankfurter to Knox, 27 August 1940, *Knox Papers*, Box 1.

⁴⁴ Letter from J. C. Dunn to Herschel Johnson, 29 September 1940, RG 59, File 841.00N/10. Klemmer's report, "The Fifth Column in Great Britain," 29 July 1940, was forwarded to Washington by Kennedy, 1 August 1940, *ibid.* Even this, however, was described as of "no great value" by "REM" of State's European division, 2 December 1940, *ibid.*

⁴⁵ Desp. No. 755, 26 August 1940, from Lord Lothian Perowne's note is dated 18 September 1940, *F.O. Papers*, File No. Missing.

⁴⁶ Tel. from Sir Arthur Salter to Churchill, 17 August 1940, *ibid.*, A 3542/90/45 (1940) No. 237.

he had departed for home, but the majority had necessitated special research and preparation and hence it was late August and September before they arrived. In the meantime, Donovan, as a middleman, was in touch with the "producers" in London and the "consumers" in Washington; and he was to spend much time "disseminating" the finished product: a report on economic controls to Edward Stettinius of the Advisory Commission to the Council of National Defense; answers to questions on armaments sent to Admiral Emory S. Land of the U.S. Maritime Commission; a report on aluminum control to Stettinius; a report from the Ministry of Economic Warfare to James Forrestal at the White House; and to General Miles and Admiral Anderson, the service intelligence chiefs, went several studies or documents on the British army, propaganda, military actions, and economic problems.⁴⁷ In an embryonic way, the soldier-lawyer was already a "coordinator of information."

Had such an idea occurred to Donovan during and after his trip to London? To say "Yes" would amount to reading too much into too little. He was to say in 1949 that he "had two main objectives when I visited Britain: (1) to find out about the 5th column there, (2) to learn whether the British were 'falling on their faces' as everybody said."⁴⁸ The latter objective caused him to view the situation as a totality. He sought to learn what the British were doing, what they could do, and what they needed if they and the West were to survive. As a strategist he studied the terrain, the people, the military forces, the economy, the organization of the government, anything related to defense and offense; and these he then interpreted as capabilities and requirements and fused them for both the British and the American governments as an order of priorities. He had come home with the facts; he gave a lift to morale; and he pushed for badly-needed supplies.

From the British point of view they had gotten an excellent and encouraging view of a personable, vigorous, experienced, and influential advisor of the Secretary of the Navy, and friend of the President—and a Republican, if that party happened to win in the fall! Their satisfaction with Donovan was to be made amply evident when they learned of his second trip in December. But just before that happened, they put the stamp of approval on him when Lord Lothian was authorized on 28 November "to drop a hint to U.S. authorities that, if Mr. Kennedy is not returning [from the U.S. as Ambassador], it is to be assumed that appointment of Colonel Donovan would be welcome."⁴⁹

Donovan had not yet carved out a role for himself in the war that was shaping up for the United States. When he dined with the Stimsons on 6 August, the Secretary asked him to head one of the training camps then being revived by the Army. "He said he would not say no." Stimson then observed: "He was determined to get into the war some way or other and was the same old Bill Donovan that we have all known and been so fond of."⁵⁰

⁴⁷ All these documents are in *Donovan Papers*, Vol. 34.

⁴⁸ "Notes from WJD," 5 April 1949, *loc. cit.*

⁴⁹ Minute by J. Balfour re tel. to Lothian 28 November 1940, *F.O. Papers*, A 4955/605/45 (1940).

⁵⁰ *Stimson Diary*, entry for 6 August 1940.

Donovan soon flew out to Wyoming to handle a lawsuit and then went to San Francisco and Pearl Harbor on an inspection trip with Secretary Knox. On returning, he reminded General George C. Marshall, Army Chief of Staff, of the general's earlier suggestion that he visit some of the army camps and mobilization centers. He then spent the first ten days of October at Forts Benning, Sam Houston, Sill and Knox. He had already written Vansittart that he had "refused the nomination of Senator from this state, also to take any place with the government. I intend to go with troops, and as it looks now I shall probably spend the winter in Alabama training a division."⁵¹

Such was not to be the case, and the explanation is not at hand. Another six to nine months were to pass before the war and his plans were to fuse in a task and a position.

In the meantime, Stephenson was busily tackling the functional, organizational, and geographic aspects of the establishment and operation of his own British Security Coordination (BSC). These considerations kept him in contact with the FBI. Since, however, they required, from his point of view, a new kind of American organization as a counterpart, they gave him cause to cultivate Donovan. Hence activity in the last half of 1940 and early 1941 must now be studied if its impact on Donovan is to be appreciated.

⁵¹ Letters from Donovan to Menzies, 27 August, E. R. Stettinius, 10 October, and Robert Van Sittart [sic], 26 September 1940, *Donovan Papers*, Vol. 34.

Chapter V

STEPHENSON'S BRITISH SECURITY COORDINATION

When Churchill returned to the British government in September 1939, as the First Lord of the Admiralty, the Fleet was informed of the event by the electrifying message: "Winston is back." After he replaced Neville Chamberlain as Prime Minister on 10 May and reorganized the government on the next day, the world soon became familiar with the "V for Victory" as the sign that Churchill was, as Stephenson described him years later, "no mere bold facade but the very heart of Britain, which was still beating very strongly."¹

What Churchill brought to the scene was a fierce determination to meet and fight the enemy on any and all fields of battle so that the British would survive as a free people. The issue was simple but the resultant encounters—defense of the homeland, withdrawal from Dunkirk, a decision on Greece, protection of the Suez Canal, see-sawing in the Libyan Desert, hide-and-seek in the world's shipping lanes, and enough more to fill up 6 volumes, 226 chapters, and 4,986 pages of Churchill's *The Second World War*—were kaleidoscopic in the character of their challenges, requirements, resources, and responses.

When Churchill looked out beyond Dover and Dunkirk, few areas appeared as important, or offered as much hope and promise, and yet provided as many frustrations and challenges as the United States and the Western Hemisphere. Here again, the objective was clear, and perhaps nowhere did Churchill express it so emphatically as when, in a burst of annoyance with one of his admirals then engaged in Anglo-American staff talks, he wrote:

Our objective is to get the Americans into the war . . . The first thing is to get the United States into the war. We can then best settle how to fight it afterwards. Admiral Bellairs is making such heavy weather over all this that he may easily turn the United States into a hindrance and not a help to the main object, namely, the entry of the United States.²

In the meantime, the United States was both a promise and a pain—a promise because it was the arsenal, the workshop, the bank, the friend, but a pain because it had to be cajoled, mollified, and suffered while its mood ripened, its organization took shape, and its contributions were impatiently awaited. The United States was neutral; its mood was sympathetic but "Keep it over there" referred to fighting in Europe; its sensitivities—political, economic, religious, ethnic—were tuned to British as well as Nazi-Fascist actions. This friendly but touchy hope of salvation was also the kingpin in a wider hemispheric world of friends and foes, supplies and resources, strategic locations, channels of communications. If Britain found in this Western Hemisphere so much that was vital, so also did the Nazis, and hence it was that in 1940-1941 the New World was a battleground on which political and economic warfare was waged.

¹ *QC*, p. 37.

² Churchill to Sir Dudley Pound, First Sea Lord, 17 February 1941, *Churchill Papers*, Box 153, Folder 489/4, Serial M. 192/1.

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Churchill had come to power with a willingness to confront new problems and challenges with appropriately new and invigorating men, ideas, organizations, and activities. When the Germans took over much of Western Europe early in 1940, he had brought into being the Special Operations Executive (SOE) in order to wage war against the enemy overseas by way of subversion and sabotage, or, "to set Europe ablaze."³ He had no intention of setting America ablaze, at least in the same sense, but he intended to use every workable means in the book to line it up behind Britain. He had his diplomats, treasury experts, shipping and purchasing chiefs. Surely he needed an intelligence chief; in terms of the challenge, there was no adequate British intelligence and security system in the Western Hemisphere. For this job he picked Stephenson.

The New "Passport Control Officer"

Stephenson's first job, after he and his wife Mary—Mary French Simmons, the daughter of a Tennessee tobacco exporter—had moved into Vincent Astor's "broken-down boarding house," was to set up shop as His Majesty's Passport Control Officer (PCO) in New York. His predecessor, Commander Sir James Francis Paget, R.N., had his office in the Cunard Building in lower Manhattan's Exchange Place, in what Stephenson considered "cramped and depressing offices," and so he immediately moved the shop uptown, in new and more spacious quarters on the thirty-sixth floor of Rockefeller Center.⁴ This move foreshadowed the imminent transformation of Britain's intelligence operations in the United States.

Before that transformation could be accomplished, however, the new PCO also had equally important things to do, all at the same time: conduct high-level diplomacy, intensify liaison with the FBI, and mount selected "special operations" against the Nazi-Fascist foe. On the first of these items, Stephenson may be wrong in the matter of "renewing" an acquaintanceship with Donovan, but there can be little doubt but that he quickly established and re-established contact with such influential persons as Tunney, Hoover, Astor, Ernest Cuneo—whose chain "controlled" Drew Pearson and Walter Winchell—Edward G. Budd, the steel and rail entrepreneur, Harry B. Lake of the international banking firm of Ladenburg, Thalmann and Company, as well as Donovan. Stephenson claims to have had many private meetings with FDR, the first of which was arranged by Astor. On other occasions he made use of Cuneo, Sherwood and Ambassador Winant as intermediaries with the President.⁵

That Stephenson established contact with J. Edgar Hoover must not obscure the fact that there had already been some liaison between the Bureau and various British intelligence and security officers. This liaison also ante-dated the approaches made by Hamish Mitchell in March. Hoover on 31 May 1940—before Stephenson had really gotten to work—told the Interdepartmental Intelligence Conference that some of the British agents with whom the Bureau

³ Quoted in E. H. Cookridge, *Set Europe Ablaze* (N.Y.: Crowell, 1967), p. 1.

⁴ Paget replaced Commander H. B. Taylor as PCO on 1 August 1937, Aide Memoire from British Embassy, No. 238, 23 July 1937, RG 59, File 702.4111/1414. For move uptown, see QC, pp. 28, 31-32, 50.

⁵ Stephenson, private interview, Bermuda, 17 November 1969.

was in contact had "been residing in their present quarters for as long as twelve years, indicative of the fact that they have been stationed at their post of duty for a long time." At the same time, he noted that both the Canadian and British services seemed to be "particularly well organized" and that they were furnishing "considerable information to the FBI." Mitchell had referred, in his second approach to the Bureau, to a description of "the setup of the German organization for developing information in the United States" which had been sent to the Department of State by the British Embassy.

Shortly after the two approaches of Mitchell, Vincent Astor was telling the President about his own dealings with Sir James Paget and the difficulty the State Department was causing. The report is worth quoting at some length:

British Intelligence in this area is in charge of Sir James Paget, assisted by a Mr. Walter Bell, who conduct the so-called British Passport Control Office, although the control of passports occupies but little, if any, of their time.

Shortly after the "club"'s [sic] formation, it occurred to me that Paget and Bell might from time to time obtain leads useful to us. I therefore arranged a meeting with Paget, at which I asked for unofficial British cooperation, but made it clear that we, for obvious reasons, could not return the compliment in the sense of turning over to them any of our confidential information. This somewhat one-sided arrangement was gladly accepted. This was natural, inasmuch as any success that we might have in discouraging sabotage, etc., would be to his advantage.

On February 16th, Bell reported to F.B.I. that State Department officials in Washington had registered a complaint because he and his superior had furnished information to U.S. intelligence units. I was away at the time, but it appears that Bell continued to give direct information, feeling that by so doing valuable time would be saved. A week later, however, Paget was instructed by his government to confine all the contacts of his office with U.S. officials to representatives of the State Department. This time both Paget and Bell stated that, though they greatly regretted this situation, there was no course left to them but to follow instructions. Mr. Hoover thereupon went to the State Department, and was there informed that the action had been taken at the request of Mr. Messersmith, now in his post as Ambassador to Cuba, and that immediate steps would be taken, through our embassy in London, to the end that Sir James Paget's orders should be rescinded. This was in early March and since then there have been no developments. In consequence, opportunities to obtain useful information are now probably being lost.

Would it be possible to expedite action by the State Department, provided such action is approved of?

Two days later, Astor was again writing the President:

Apropos of delays in the transmission of news originating in the British Passport Control Office, and transmitted via the State Department . . . an unfortunate example came to my attention yesterday. Sir James Paget made

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a report, via the State Department, dated March 6th, which was forwarded to us on April 17th. It is certainly a bit difficult to conduct an effective blitzkrieg of our own against malefactors when information becomes stymied in department files for six weeks.⁶

Apparently, the complaint brought some action, for by July, many weeks subsequent to these letters, the FBI seemed satisfied with its liaison with the British. Hoover was telling the Interdepartmental Conference that the source of the "German documents" about which Miles had queried him would be calling on him shortly. Again, he told the Conference, 25 days after Stephenson landed in New York, that "dealings" with the British "had been extended to a considerable extent and that the Bureau hoped to possess within the course of a few days a complete outline of the organization of the British intelligence service within the Western Hemisphere." Then, there is that period of 14 hours which "Mr. W. S. Stevenson, Attaché of the British Foreign Office at London" allegedly spent with the Director of the FBI some time in the spring.

While Stephenson was intent upon nourishing the SIS-FBI relationship through a steady flow of intelligence to the Bureau, the basic objective was to gather and disseminate intelligence information in order to conduct offensive, as well as defensive, operations against the enemy. At 43, Stephenson had had only a short career in that field, but the United States offered him many opportunities. One of these offered itself while he was still on board the "Britannic:" he recruited an Italian who rose to the rank of lieutenant-colonel in the British Army, received the D.S.O. and the M.C. and in the meantime distinguished himself in special operations in Sicily and Italy. At the same time, there appeared in New York a German agent named Dr. Gerhard Alois Westrick who—operating as a commercial counselor with the German Embassy—began propagandizing American industrialists, selling them on a German victory already won, and luring them with commercial privileges in an Axis-dominated Europe. Stephenson, who may have gotten some lead on Westrick from Vincent Astor, fed the facts on Westrick to the *New York Herald-Tribune*; the resultant publicity caused the public to hound Westrick, and in August, 1940, he left the country at the request of the Department of State.⁷

About the time Westrick was leaving, Stephenson was informing London of the possibility of organizing an anti-Vichy coup on the island of Martinique, off the coast of Venezuela, where the Vichy gold reserve of an estimated \$245,000,000 and several warships had been sent for safekeeping. The event was set for 23 September, but the local forces lost heart and support when the Anglo-Free French assault on Dakar on that day was beaten off. A more successful operation came off late in the fall when four German ships attempted to run the British blockade in the Gulf of Mexico. One of Stephenson's men in Mexico City had passed word of the planned break out; Stephenson passed it through the FBI to the Navy; and State agreed to the dispatch to the Gulf of

⁶ Letters from Astor to Roosevelt, 18, 20 April 1940, *Roosevelt Papers*, PSF Astor. Astor's role in intelligence and his relationship with FDR will be covered in Ch.VII, as will the "club" mentioned by Astor.

⁷ *QC*, pp. 228-29, on the recruitment, and pp. 70-72 on Westrick. The Astor possibility is suggested by his acquaintance with WSS and by his full account of Westrick in a letter to FDR, 14 June 1940, *Roosevelt Papers*, PSF Astor.

four destroyers. In the dark of night, 15 November 1940, the ships made their break, but the destroyers approached, trained their searchlights on them, and panic took over. One ship sank, two were captured, and the fourth was interned until April 1941 as were twelve Italian ships which had stayed in port.⁸

Building a "British Security Coordination" Office

Earlier in this work, great stress was placed on a marginal note made by General Donovan; here, equally great stress will be placed on the absence of any such note in another passage of that same work:

Colonel Donovan and Mr. Stephenson kept in close contact through the autumn of 1940. During this period *Mr. Stephenson continually pressed his view* that some extension of American intelligence organization was going to be required if the United States Government were to be adequately informed, whether under peacetime, non-belligerent, or wartime conditions. (Italics mine.)

This passage went unmarked by the General; the assumption that he read it and found no fault with it follows from the two-fold fact that it was the preceding page on which he mentioned not knowing Stephenson until his return and just 14 lines after the above passage that he dashed a large marginal "No," underlined twice, opposite a controversial point on his Balkan trip.

A year before the above passage was written, Donovan had signed a memorandum recommending Stephenson for the Distinguished Service Medal, and there Donovan spoke of Stephenson as "the earliest collaborator with and the chief supporter of the early movement" which led to COI, and as a man "whose early discussions with the Coordinator were largely instrumental in bringing about a clearer conception of the need for a properly coordinated American intelligence service."⁹

Stephenson's own account of these "early discussions" is, except for the date, in line with all this:

From the beginning, that is June 1940, I had discussed and argued with him [Donovan] the necessity for USG to establish an agency for conducting the secret activities throughout the world—an agency with which I could collaborate fully by virtue of being patterned in the matter of coordinated functions after my own organization. Early he agreed in principle . . .¹⁰

The significance of Stephenson's "pressing his view" and "argu[ing] the necessity" of an American organization "patterned" after "my own organization" can best be appreciated by first returning to the transformation of the PCO job. The latter had been accepted by Stephenson only because he saw in it the possibility of a much larger challenge and contribution to the war effort.

⁸ For the Martinique episode, see QC, pp. 111-12, and pp. 56-58 for the Gulf affair.

⁹ Memorandum from Donovan to Adjutant General, War Department, 13 May 1943, CIA, W. S. Stephenson 201 File.

¹⁰ Stephenson, "Early Days of OSS (COI)," p. 7.

Stephenson gave up the Cunard office, was to change the title of his office to British Security Coordination (BSC), and proceeded, in effect, to write a new job description for himself. He did, however, keep his office in New York, not perhaps because he preferred the city to Washington, but because New York was the chief port of the country, and the security of supplies was a major concern. New York was also the headquarters of the British Purchasing Commission, which, under the able leadership of another Canadian, Arthur Purvis, was engaged in the very difficult business of getting British war supplies, so badly depleted by Dunkirk, ordered, produced, shipped, and financed. New York was also the location of the British Information Center, whose activities related to Stephenson's own interest in Nazi efforts to exploit the non-involvement and isolationist mood of the country. New York was the center of many political activities, politically important ethnic and racial groups, and of the commercial and financial circles in which Stephenson moved easily and in which his new responsibilities brought him many new ties and opportunities.

While it is not possible to reconstruct with any accuracy the chronology of transformation, or the order in which certain basic tasks were undertaken and organizational structures and links formed,¹¹ it is clear that one of the basic building blocks was his takeover from the British Purchasing Commission of its responsibility for the physical security of British purchases in the United States. This job was being done only inadequately at the time because of the smallness of the staff, the rudimentary coordination with other investigative and law enforcement agencies, the diffuse character of the plants, railroads, storage areas, and ports in need of tightened security, and the only partially known dimensions of the enemy threat to American facilities and British supplies.

The takeover consisted of absorbing the Commission's Security Officer, Hamish Mitchell, its Credit Investigation Section, and a Shipping Security Section. These sections formed the core of Stephenson's new Industrial Security Division, under the direction of Sir Connop Guthrie, an English businessman with a good deal of shipping experience. New personnel were brought in from England and Canada, as well as the United States.¹² To Stephenson one of the most important of these was Colonel Charles H. Ellis, whose services Stephenson demanded from SIS as a *sine qua non* for his own acceptance of the PCO post. Ellis arrived in New York on 7 July 1940 and as a professional intelligence officer was to serve Stephenson throughout the war as his deputy.¹³

Another basic step in construction was the development of close liaison with the Royal Canadian Mounted Police and the Canadian intelligence and immigration services. Stephenson, of course, was a Canadian—born and schooled there, active in business there before and after the war, and always loyal to it; but Canada was vital to Stephenson for other reasons. For staff, Canadians, who

¹¹ The BSC story is yet to be written. Presumably much material lies in the FBI files, and there must be some in such places as the U.S. Customs, Coast Guard, and the New York City Police Department. There *must* be some in Britain, even though the writer was informed by the SIS that it has no "mass of detailed archives" on BSC.

¹² *QC*, pp. 61-62.

¹³ Stephenson, private interview, 16 November 1969. The date of Ellis' arrival is found in U.S. INS Form 1-404-A, a copy of which is located in Stephenson's INS file A6 762 816.

presumably knew better how to deal with Americans, were preferred to Englishmen. Canada's port of Halifax was a major starting point of convoys heading across the Atlantic. Canadian intelligence on the identification and movement of known or suspected spies, saboteurs, and couriers, and disaffected workers, sailors, cargo handlers, and others was essential to the establishment of a pool of intelligence without which the security job could not be done. Late in 1941 Canada made it possible for Stephenson to establish near Toronto a training establishment which was utilized by COI and OSS as well as by Stephenson's organization.¹⁴

Almost equally as important as Canada was Bermuda which was an air and water link between Europe and the Western Hemisphere. Its importance zoomed in the summer when the trans-Atlantic Pan American "Clippers" once more began stopping there.¹⁵ These flights enabled British security to exercise a greater control over the movement of persons, mail, currency and other smuggled goods, between Europe and the Western Hemisphere. Bermuda was thus a strategic location for spotting, frustrating and exploiting Axis movements in the region.

Here again there took place a significant build-up in the British capability. A Censorship security officer was sent to the island in August, and then followed additional personnel to carry out passenger interrogations and the examination of documents. Because the languages spoken by the trans-Atlantic passengers and crews reflected the diversity of Europe, South America, Canada, and the United States, a small staff of linguists was set up. Thus was formed a Travelers Censorship Unit. Examination of the mails formed a major part of the work done in Bermuda, and for this purpose Stephenson had "hundreds" of "censorettes" brought in from England. Bermuda was so central to BSC that Stephenson commuted regularly to and from New York.¹⁶

The necessities of running an intercontinental intelligence network, to say nothing of Stephenson's background in radio, electronics, and the films, made communications one of the first technical capabilities developed by BSC. This was required as much by the need to track down the Nazis' secret radios in the Western Hemisphere as by BSC's conduct of its own business. At the height of its operation, according to Stephenson, the communications division was "by far the largest of its type in operation—over a million groups a day." Similar capabilities were developed in the successful exploitation of Bermuda's mail censorship. Stephenson claims that it was his organization that first discovered the Germans' use of the micro-dot.¹⁷

¹⁴ Charles H. Ellis, "Notes for Documentation" (unpublished manuscript, 1963), p. 20. This document deals with Anglo-American collaboration in intelligence and security, especially 1940-1941, as it involved Stephenson and BSC. The paper is based chiefly on Ellis' own personal knowledge and experience but is not a memoir. Cited hereafter as *Ellis*. For the Toronto school, see *QC*, pp. 227-28.

¹⁵ *Ellis*, p. 36. *New York Times*, 23 August 1940, p. 8, col. 6.

¹⁶ *Ellis*, p. 36; Stephenson, private interview, 17 November 1969.

¹⁷ Stephenson, "Early Days . . .," p. 1; and private interview just cited. Stephenson's claim on the micro-dot was a reference to the Hemisphere Intelligence Conference at the Office of the Director, FBI, 29 January 1942. At this conference Hoover discussed the dots, and Stephenson stressed the "highly secret" character of their discovery. See Minutes of the Conference, NA RG 59, File 800.20200/9.

The extension of activity from New York to Canada and then to Bermuda did not stop at that island. There were important posts in the Caribbean, such as Jamaica and Trinidad, and in South America, which had political regimes, ethnic minorities, valuable minerals, financial resources, and lines of communication which lay open to Nazi exploitation. Shortly after the build-up in Bermuda, intelligence and security officers were sent from London to both Jamaica and Trinidad, and on those islands local committees were established to make certain that imperial interests and necessities were sufficiently harmonized with local and regional officials, systems and interests to make all reasonably happy.¹⁸

Late in 1940 Stephenson took over the SOE responsibilities in Latin America. SOE in Europe concentrated on tactics to disrupt the German war machine in occupied Europe and behind the enemy's line: sabotage of industrial facilities, transportation networks, and lines of communication, as well as deception and propaganda. In the Western Hemisphere, where the United States was very sensitive to what the British did in the volatile areas to the south, SOE was restricted to studying and reporting on Nazi movements among the various European émigré groups and to the cultivation of contacts with leaders among them. By February and March of 1941 there was a network of agents in Venezuela, Brazil, Cuba, Columbia, and Peru.¹⁹

All the while, liaison with the FBI was growing. The connection with Stephenson was serving the Bureau's interest because of its own growing concern with the threat or sabotage and subversion. In October, the Bureau requested the opinion of the Department of State on a proposal to send an official of the FBI to London "to study police problems in the time of war."²⁰ One of Hoover's assistant directors, Hugh P. Clegg, did go to London about that time. In March the Director of Postal and Telegraph Censorship told Donovan that he had "explained to Hoover and Clegg how we run our organization, and Clegg and Hince have been all over it here [London]; they have all our confidential documents."²¹ Stephenson's activities in the Caribbean and in Latin America brought him into touch with Hoover as a result of the latter's new responsibility for investigating and reporting on activities in South America which threatened the security of the United States. Hoover's "Special Intelligence Service," which had the President's personal approval, had access before the end of 1940 to British intelligence officers as consultants on technical and operational problems.²²

The FBI may or may not have wanted to be the only American link with Stephenson's organization, but as a matter of fact it was not. Details are lacking, but on 9 October 1940, the Assistant Chief of Staff for Intelligence, General Miles, sent to his representative in New York, Major Frederick D. Sharp, a memorandum about "W. S. Stephenson" in which he advised the Major: "The subject, who is an Englishman, and whose telephone number is Circle 6-8580, will call you up

¹⁸ Ellis, p. 37.

¹⁹ Ellis, p. 96.

²⁰ 30 October 1940, RG 59, File 102.31/168. This document is indexed but "not in the file."

²¹ Letter from E. S. Herbert to Donovan, 7 March 1941, *Donovan Papers*, Job No. 65-508, Box No. 83, Item 6 (Vol. 3), cited hereafter as *Donovan Papers*, Vol. 3.

²² This SIS is discussed in Ch. VII.

in the near future. He will tell you who he is, and you will find the contact of interest and value.”²³ Stephenson had apparently met the General at a meeting of “a dozen top steel men” which had been called at Stephenson’s suggestion by Edward G. Budd.²⁴

The Army and the Navy, as well as other American establishments, had long since been alerted to the possibilities of sabotage to American military installations and subversion of American personnel. With the agreement on the destroyers and bases there went a natural concern on the part of the military for the intelligence and security aspects of the new installations that were to be built on Canadian, Bermudian, Caribbean and South American sites. Also, as the United States moved towards the convoying of supplies the military became more concerned with intelligence relating to the Western Hemisphere and less and less inclined to rely on the FBI as the “sole channel” for the exchange of military information. Again, Donovan learned in March from the Postal and Telegraph Censor: “The F.B.I., Navy and Army Departments and the Attorney General Department [sic] are receiving the products of our Western Stations through appropriate contacts.” Army and Navy officers had also been to Bermuda to study the British system of censorship.²⁵

In December 1940, when Stephenson travelled to London with Donovan, Stephenson had his own problems to take up with authorities there, and among these was the best way to tie together all the geographical extremities of the Western Hemisphere’s intelligence and security centers. Again, details are lacking, but apparently it was during this visit to London that Stephenson was made responsible for Bermuda and the Caribbean, and by the beginning of 1941, “arrangements had been made, at Stephenson’s suggestion, to link the British intelligence network in Latin America with B.S.C. in New York.”²⁶

Before considering the build-up of BSC in the United States, it is well to stop to take a look at the dimensions of what was taking shape under Stephenson’s direction. Philosophically, the organization was oriented to offensive, as well as defensive, operations; and there was not always a nice regard for legality. As Cuneo remarked, “for the British it was a life and death struggle,” and he and others doubted not that the British were often operating illegally in this country before Pearl Harbor.²⁷ The territory covered by BSC extended far beyond the confines of the United States from Canada to South America and included all the intervening cities and ports—especially Halifax, New York, Bermuda, Jamaica, Trinidad—which figured in the international movement of persons, currency, goods, and ideas. This geographical coverage meant that BSC dealt with all sorts of political entities and systems: the independent and neutral United States, the Dominion of Canada, British colonies in Bermuda and the West Indies, and the South American republics. From this fact it followed that BSC also had to deal with a bewildering number of intelligence and law enforcement agencies: in the United States, the FBI, Army and Navy Intelligence, the New York City Police, the Coast Guard, and Customs; in Canada the RCMP

²³ Memorandum from Sherman Miles to Sharp, 9 October 1940, RC 165 File 51-901.

²⁴ Stephenson, private interview, 23 October 1969.

²⁵ Cf. n. 21, p. 54, *supra*.

²⁶ *Ellis*, p. 38.

²⁷ Cuneo, private interview, Washington, 27 November 1968.

and other law enforcement agencies; and elsewhere in the Caribbean and Latin America similar organizations. One can only allude here to what must have been a large congeries of services awakening slowly, jealously, suspiciously, and haphazardly to the security requirements of the emergent hemispheric situation. Finally, this regional concentration on the movement of persons, goods, and ideas meant that BSC—intercepting mail, decoding messages, interrogating passengers, “vetting” crews and business firms, checking port security, tracking down enemy radio stations, sending its own traffic—was performing a full range of intelligence and security functions which had previously been done, when done at all, by different and specialized agencies.

Rather proudly, Stephenson himself described what happened to his basic position as a regional representative of the SIS. “My original charter,” he said, “went beyond that and indeed was soon expanded to include representation of all the numerous and generally covert [British] organizations—nine of them—also Security and Communications.” Because of this last element, he said, BSC became “the only all-encompassing integrated secret security organization which had ever existed anywhere, and myself the repository of secret information at all levels beyond that of any other single individual then involved.”²⁸

BSC Worries the State Department

Certainly BSC had grown sufficiently in the United States by the beginning of 1941 to come to the attention of the Department of State, which had already seen fit to keep Sir James Paget in place, had frowned on the approaches of Hamish Mitchell, and in the last half of 1940 was disposing of a British effort to organize, the U.S. being willing, the internal security of the country!²⁹

In January the Department was informed by the British Embassy of the official existence of a “Director of British Security Coordination in the United States.” Whether this initiative was taken on its own or whether it had been promoted by some query from State is not known. On 28 January, nevertheless, an aide-memoire giving Stephenson’s name was handed to R. B. Stewart of the Division of European Affairs. Stewart did not find the title “particularly revealing” and asked for clarification. He was told that Stephenson’s work was in connection with “anti-sabotage protection at ports and also the protection of British shipments from American factories to the docks.” He had already been engaged in this work “for some time” as Passport Control Officer. The new title, Stewart was told, “had come from ‘your own people’ in order to make his relations with them at ports easier, since his work was obviously broader than that of a passport control officer.” Apparently “your own people” was a reference to Hoover himself. While Stewart “believed there is no objection to Mr. Stephenson’s activities,” he did think State ought to get a detailed report on what he was doing and the names of the various Americans with whom he was in contact.³⁰

²⁸ Stephenson, “Early Days . . .,” p. 1.

²⁹ An untold episode is the approach in 1940 of Sir Eric Holt-Wilson, at Lord Swinton’s suggestion, to the U.S. Embassy in London with an offer to help the U.S. establish a security service.

³⁰ Memorandum by R. B. Stewart, 28 January 1941, RG 59, File 841.01B11/190. For Hoover’s “suggestion” of BSC as the title, see *QC*, p. 52.

Within a week, State had gotten a report from its Special Agent in Charge in New York City, which indicated that "the quiet Canadian" was also the unobtrusive Canadian. His telephone number, Circle 6-8580, was known, but he had so far refused to make known the whereabouts of his office, and "the utmost secrecy" cloaked the whole affair. Mr. Stephenson was not known to "any of the Federal officials or agencies in New York that deal with antisabotage protection" although Americans had much to do with other British officers on such matters. It was ascertained, however, that Stephenson would now take over this entire operation and was now gathering a "staff of liaison officers" who will cooperate with Federal officials throughout the country. Calls were to be made upon the staff, however, not on Stephenson personally, because he "will direct the national efforts of the organization."³¹

On 25 February, Hoover informed Berle, "as of possible interest" to him, that "the British government's Director of Security Coordination in the United States has appointed officers in New York, Baltimore, Seattle, San Francisco, Los Angeles, and Houston."³² Some time in March the Department of Justice wanted to know the position of the State Department "in connection with the very large increase of the British intelligence service which has recently taken place."³³

In a memorandum on the subject, Berle wrote a full dress review of the situation and its dangers and the need for action. He described the service as "functioning under the headship of a chief attached to the Embassy," a reference, perhaps, to the British Minister, Sir Ronald Campbell; "but the head of their field service appears to be a Mr. William S. Stephenson, who is thought to be registered at the State Department as 'Security Coordinator.'" Nominally concerned with protection of supplies, Stephenson, wrote Berle, is rapidly developing "a full size secret police and intelligence service," which has a full string of "regularly employed secret agents and a much larger number of informers, etc." Information collected is by no means restricted to ships and munitions, informal contacts are being established at all echelons of national and local government, and, said Berle: "I have reason to believe that a good many of the things done are probably a violation of the espionage acts."

Berle admitted that "granting free rein" to the British might not have serious significance, but on the other hand, who knows but what the information collected might fall into the hands of the Germans, that the data might indeed fall into the hands of a new and hostile British government—in the event of a British defeat, and that perhaps, just perhaps, the British government might use the information for extra-curricular meddling in purely American affairs. "My feeling," wrote Berle, "is that the time has come when we should make a square issue with the British Government." Let the British tell us what ought to be done that is not being done, and we will take care of it; and if their activity is duplicating that of the FBI, then it ought to be stopped for that reason. In any case, legally they are on "almost impossible ground; they are in

³¹ Memoranda from R. L. Bannerman, Special Agent, to Mr. Clark, Special Agent in Charge, N.Y.C., 6 and 10 February 1941, RG 59, File 841.01B11/191, and 192.

³² Hoover to Berle, 25 February 1941, RG 59, File 841.20211/18. CONF. author, 22 November 1967.

³³ Mentioned in letter from Berle to Welles, 31 March 1941, *ibid.*, No./23. CONF.

fact spies." Berle thought the entire question should be taken up with the President and that the British activity should be restricted to protection of ships and munitions and then only after authorization from and in conjunction with the FBI.

The final point made by Berle was the usual concern for the embarrassing consequences should anything go wrong. State would be called upon to explain why it had tolerated "violations of American laws," and "we should be on very dubious grounds if we have not taken appropriate steps."³⁴

At the time he was writing this memorandum, Berle was also learning that none of the persons engaged in the security coordination work had been registered with the Department as agents of foreign principals. He was informed that "in view of all the factors involved, including our desire to be as helpful as possible to the British in this connection," they had come under the exception which covered foreigners engaged in "the bona fide trade or commerce of a foreign principal."³⁵

Berle then took up this matter in a letter to Hoover who was told that the Secretary of State thought he should be guided by the Attorney General: would you submit the question to him? Perhaps he "might want to develop the question with the President, or in Cabinet." In reply, Hoover returned the ball to State's court: he had already taken it up with the Attorney General, and there was, therefore, no further action he could take. He did think that Berle could take it up with Mr. Hull, and then the Secretary could discuss it with the Attorney General. "In this manner it may be possible to reach some decision as to the future policy to be followed."³⁶

There is no need to follow this matter any further. Suffice it to say that the problem of harmonizing not just the matter of registration but also all the activities of the BSC with the requirements of American law, politics, and the bureaucracy, was to become more acute when COI was established and when the entry of the U.S. into the war called for radical changes in many spheres of organization and activity. The problem was to become the subject of a touchy confrontation in March, 1942, between the British Ambassador, then Lord Halifax, and Sir Ronald Campbell on one hand, and Berle, Hoover, and the Attorney General on the other. Berle thought perhaps the British "needed a different type of man to head" BSC. A few days later at another such conference involving Halifax, Campbell, Berle, and Biddle, the Ambassador asked the Attorney General to get Hoover and Stephenson together so that the "two men might understand each other." By this time, and at this conference, the relationship between Stephenson and Donovan, hitherto an unspoken relevancy, was brought out.³⁷

³⁴ *Ibid.*

³⁵ Joseph C. Green, to Berle, 1 April 1941, *ibid.* No./27.

³⁶ Berle to Hoover, 21 April 1941, *ibid.*, No./49; Hoover to Berle, 30 April 1941, *ibid.*, No./25. CONF.

³⁷ Memorandum of Conversation on "Activities of British Intelligence Here," 5 March; Memorandum of Conversation, 10 March 1942, RG 59, File FW 841.20211/36. In the latter conversation Lord Halifax expressed the opinion that some of the problems under discussion had been "cleared" with Donovan. Berle did not understand how Donovan could be involved in what was essentially a *domestic* matter.

This chronicling of BSC's growth in the Western Hemisphere, and especially in the United States and of its relationship with the government has taken us well beyond the return of Donovan from London in August 1940 and those "early discussions" with Stephenson which led to COI. It has been important, however, in showing (1) the kind of problem that Stephenson must have delineated for himself when he first looked over the passport control post, (2) the kind of situation—philosophical, geographical, political, jurisdictional, and functional—with which he had to grapple, and (3) the kind of American organization he needed as a counterpart in the hemispheric conduct of clandestine, subversive, and offensive operations.

Allen Dulles has said that Donovan, in the years before the outbreak of World War II, had already been at work "planning the type of intelligence organization America would need as soon as we became a belligerent."³⁸ No evidence was advanced for this proposition, and it is possibly, but not probably, true. It certainly is inconsistent with Donovan's acceptance of the British statement that Stephenson "continually pressed his view that some extension of American intelligence organization was going to be required. . . ."

As far as evidence is concerned, Stephenson, operating on the basis of his own concrete necessities, communicated to Donovan—and not without difficulty—"une idée directrice" or "the idea of an undertaking or enterprise" to be realized. When taken up by Donovan, this "directive idea" was passed through the prism of his own experiences as a lawyer, soldier, military strategist and public servant, and while differently refracted, was neither dissipated nor dissolved, and remained basically what Stephenson had in mind.³⁹

Some understanding of the fact of different refraction will be gained when it is realized that Donovan, in 1940-1941, clearly considered Britain as a "laboratory"⁴⁰ in which the U.S. could study responses to modern warfare which it more than likely would soon have to adopt and adapt to its own peculiarities. He had already gotten a "feel" for the Fifth Column phenomenon on his trip to London; he was to see more and learn more on his next trip—three months in Britain, the Mediterranean, the Middle East and the Balkans.

³⁸ Dulles, *op. cit.*, p. 4.

³⁹ The terminology and ideas of this paragraph are taken from the work of the French medical doctor and biologist Claude Bernard and the French jurist Maurice Hauriou as discussed in Moorehouse F. X. Millar, S. J., "Hauriou, Suarez, and Chief Justice Marshall," *Thought* (March, 1932), pp. 8-9.

⁴⁰ Cf. n. 36, p. 42, *supra*.

Chapter VI

DONOVAN: IN LONDON AND THE MEDITERRANEAN

There is as much uncertainty about the origin of Donovan's second trip to London and his subsequent journey to the Mediterranean, the Balkans, and the Middle East, as there is about his first trip. There is, however, less uncertainty about Stephenson's role, and the subject of intelligence and special operations can be tied down more definitely at both the beginning and the end of the trip.

The "Two Bills" off for London

Who proposed what? And why? Stephenson, who had had "discussions" with Donovan about the need for a new American intelligence organization, also had "many discussions on what further needed doing in Europe." Donovan had been much "impressed with the necessity for the protection of U.S. supplies, which were then beginning to flow to Europe, and hence for the desirability of the convoying of such supplies by the U.S. Navy in view of the already extended commitments of the British Navy." So that Donovan could "collect further evidence to support his proposals" [for convoying], Stephenson "arranged for [him] to visit Europe again."¹ Stephenson did make arrangements for the trip, as will be seen, but it was Donovan who "*proposed* that he should pay another visit to London and go on to the Mediterranean."² (Italics mine.)

An early story of the trip says that "on the first of December Donovan was called to Washington. By his own account, the President 'asked me if I would go and make a strategic appreciation from an economic, political, and military standpoint of the Mediterranean area.'"³ In a later account, Donovan indicated that he went officially as the representative of his friend, Secretary Knox, but in reality as the agent of the President:

His mission was to journey to the Middle East, to collect information on conditions and prospects and, more importantly, to impress on everyone the resolution of the American Government and people to see the British through and provide all possible assistance to countries which undertook to resist Nazi aggression.⁴

When asked by the President, "he accepted with alacrity." His directive was apparently "so broad that it did not indicate with any precision where he was to go."⁵ The Mediterranean was the area, for it was here that Britain's position was most critical; the Italians had opened hostilities in Libya and had invaded Greece; the Germans seemed poised for thrusts either through Spain into North

¹ Cf. n. 41, p. 26, *supra*.

² QC, p. 43.

³ Read, *op. cit.*, p. 13.

⁴ William L. Langer and S. Everett Gleason, *The Undeclared War, 1940-1941* (N.Y.: Harper, 1953), p. 397.

⁵ Read, *loc. cit.*

Africa or into the Balkans and the Middle East; from Gibraltar to Suez, the land, the passage-ways, and the waters were problems for the British. Once he had decided to go to the Mediterranean, it then seemed wise to go to London first in order to get acquainted with British plans and intentions. The President reportedly suggested that he should find an occasion en route to confer with General Maxime Weygand, France's commander-in-chief in Algiers, and "explore with him the possibilities of some form of Franco-American action in North Africa."⁶ This mission is perhaps what Knox and the State Department had in mind when they asked him to go to "North-West Africa."⁷ When he visited with Secretary Stimson, his itinerary and its purpose made the Secretary's "mouth water": Donovan was going "to take another look around and see what is really up in Gibraltar, Malta . . . Syria and Egypt—or else it was Greece and Egypt—and then he hopes to get down into Central Africa and to meet General Smuts of South Africa, coming up to see him."

"Incidentally," wrote Stimson:

he brought up the question of his own fortunes after he got back in regard to a command post in the Army. I told him of the change of conditions which have taken place in regard to the 27th Division (and how he could not interfere) with . . . that Command. Donovan was very nice about that and said that what he wanted more than anything else would be the toughest Division of the whole outfit . . .⁸

The news of the trip was first communicated to London by Lord Lothian who cabled on 27 November that Colonel Knox had asked him if Donovan, "who has done splendid work for us since he visited England can pay a short visit to the Middle East front."⁹ Two days later, in London, Foreign Secretary Halifax wrote Lord Beaverbrook, the Minister for Aircraft Production, that he had "learnt from a private source in the United States that Colonel Donovan (now Major-General Donovan) is preparing to pay another visit to England to be followed by visits to certain places in the Mediterranean and to Casablanca and Dakar."¹⁰ It is difficult to conclude who the "private source" was, if it was not Donovan himself or Stephenson, and equally mystifying is Lothian's rather premature promotion of the Colonel. Not until 4 December did Lothian report that Donovan was going to England; in changing the request for travel arrangements, the Ambassador noted that Donovan is "one of our best and most influential friends here with a great deal of influence both with the Service Departments and the Administration."¹¹

⁶ *Ibid.*

⁷ Tel. from Lothian to F.O., No. 2926, 4 December 1940, *F.O. Papers*, A 4925/4925/45 (1940) No. 518.

⁸ *Stimson Diary*, 2 December 1940.

⁹ Tel. No. 2829, 27 November 1940, *F.O. Papers*, A 4925/4925/45 (1940) No. 505.

¹⁰ Letter from Lord Halifax to Lord Beaverbrook, 29 November 1940, A 5059/4925/45 (1940) No. 526.

¹¹ Cf. n. 7, *supra*.

In London the British were happy at the prospect of his return. Duff Cooper minuted: "He is a close friend of mine . . . I think he was very satisfied with the arrangements we made on the last occasion."¹² Halifax noted that Donovan had been very helpful to the British, thanks to the welcome which had been accorded him earlier; he was so thoroughly reliable that "certain secret information" had been released to him. The Army Council considered his visit of "the greatest importance from the point of view of Army supplies from the United States of America." Lothian, cabling again on travel plans, hoped no difficulties would arise "as he is such a valuable champion of our cause and is on the inside of all pro-British activities." To this the Foreign Office sent assurances that Donovan was welcome both in London and the Middle East.¹³

The real test of British acceptance was pinpointed by Sir Archibald Sinclair, Secretary of State for Air, who agreed that Donovan "is a good friend of ours" but noted that the favorable impressions he took away were due to the "frankness of our conversations . . . We showed him a great deal and took him very largely into our confidence—I think we have had no reason to regret doing so." Unless we do so again, he continued, "the effect will be deplorable." The problem, he said, is that "the Prime Minister and Lord Beaverbrook have recently expressed strong views against giving the Americans secret information. I think, therefore, that you should perhaps mention this project to the Prime Minister and obtain from him directions on how far we should take Colonel Donovan into our confidence."¹⁴

Britain's intelligence chief in New York stepped in at this point with his own impressive recommendation, which was communicated to the Secretary of State for Foreign Affairs, Lord Halifax, by Sir Alexander Cadogan:

"C" [Menzies] tells me that Mr. Stephenson, who travelled over with Colonel Donovan, has impressed upon him that the latter really exercises a vast degree of influence in the administration. He has Colonel Knox in his pocket and, as Mr. Stephenson puts it, has more influence with the President than Colonel House had with Mr. Wilson.

Mr. Stephenson believes that if the Prime Minister were to be completely frank with Colonel Donovan, the latter would contribute very largely to our obtaining all that we want of the United States.¹⁵

The Prime Minister's reaction will be noted shortly. Here only one other reaction of the British to the trip needs to be mentioned. J. V. Perowne, obviously remembering the confusion attending the announcement of the Mowrer-Donovan trip, minuted "but we ought to know whether Colonel Donovan is

¹² Letter from Cooper to Halifax, 10 December 1940, *F.O. Papers*, A5059/4925/45 (1940) No. 531.

¹³ Letters from Halifax to Eden and Sinclair, 5 December 1940, *F.O. Papers*, A 4925/4925/45 (1940) Nos. 508, 509; Letter from War Office to Under Secretary of State for Foreign Affairs, *ibid.*, No. 510.

¹⁴ Letter from Sinclair to Halifax, 7 December 1940, *F.O. Papers*, A 5059/4925/45 (1940) No. 529.

¹⁵ Letter from Cadogan to Secretary of State, 17 December 1940, *F.O. Papers*, A 4925/4925/45 (1940) No. 535.

coming on behalf of the Secretary of the Navy or the *Chicago Tribune*" [News] ¹⁶

This time Stephenson did travel with Donovan; London was told: "Mr. Stephenson, Passport Control Officer at New York, will be the fourth in the same plane to Lisbon and both he and Colonel Donovan are most anxious that it should be arranged for them to travel together from Lisbon to London." In London arrangements were made "to see that Mr. Stephenson obtains accommodation on the Lisbon-London aeroplane with Colonel Donovan." Lisbon, in turn, was notified of the importance of the visitor: "he is most friendly and useful to this country. Stephenson, Passport Control Officer at New York is accompanying D[onovan]." ¹⁷

Together they left from Baltimore for Bermuda on 6 December on what the press called a "secret mission tied to France." Donovan was described as traveling "incognito . . . with two others, one a Frenchman," one Desgarges, whom rumor connected with a possible approach to Weygand. Donovan was said to be traveling under the name of "Donald Williams," even though his luggage bore his own initials. The third member of the party was a "Mr. O'Connell." Years later Stephenson insisted that he was "Williams," and anyhow, "O'Connell" fitted Donovan's background rather than his own! ¹⁸

In Bermuda, the schedule called for a change to the Atlantic Clipper which had taken off from LaGuardia and was to make a short stop in Bermuda. The weather in the Azores was so foul, according to Stephenson, that "the waves of Horta" kept the travelers waiting at Bermuda for eight days. Despite their impatience and the high level travel resources that normally could be called upon, the travelers had to wait upon the waves. One can only assume that some of the intervening time must have been spent by Stephenson showing Donovan quite a bit of BSC's Bermudian operation, especially some of the intricacies of intercepting the mail.

London Clears the Tracks

The Prime Minister let it be known that he wanted to see Donovan as soon as he arrived.¹⁹ He landed on 16 December, and two days later the two lunched at No. 10 Downing Street.²⁰ Donovan told Churchill there was a need for a "study on the economic, political and military factors to see if there could not be developed a type of doctrine that would be common to both countries." Churchill, as Donovan described the encounter shortly after returning to the U.S., seized upon the idea and gave him as traveling companion "the best man in the Cabinet Secretariat," Lt. Col. Vivian Dykes of the Royal Engineers, "who has been present at meetings of the Joint Board and combined arms." Churchill also gave Donovan all the studies that had been done on the Mediterranean

¹⁶ Notation on cover folder of *F.O. Papers*, A 4925/4925/45 (1940).

¹⁷ Tels. from Lothian to F.O., and from F.O. to UK Embassy, Lisbon, 5 December 1940, *ibid.*, Nos. 519 and 517. Arrangements were made by Sinclair's private secretary.

¹⁸ *New York Times*, 7 December 1940, p. 1, col. 2, Stephenson, private interview, 17 November 1969.

¹⁹ Notation by J. Balfour; cf. note 16, *supra*.

²⁰ *New York Times*, 19 December 1940, p. 5, col. 2.

and Middle East situation, studies which, Donovan noted, covered all the parts but did not include "a comprehensive view combining all points as part of one strategic front."²¹

Whether or not Churchill needed Stephenson's urging to be frank with Donovan, the Prime Minister was just that. A "book" message to the field ordered that "every facility" be afforded Colonel Donovan, who has "great influence with the President" and who "has been taken fully into our confidence." The message makes clear that the trip was financed by the SIS: "Colonel Dykes has been told to draw on His Majesty's Embassy (or Legation) for funds which should be charged to the funds of the Assistant to the Oriental Secretary (or the Passport Control Officer)."²²

There is some argument about another message which was allegedly sent at Stephenson's dictation by the Director of Naval Intelligence, Admiral Godfrey, to Admiral Andrew Cunningham, the Commander-in-Chief of the Mediterranean Fleet. Godfrey has denied Stephenson's description of its sending. Nevertheless, the sentiments and the endorsement certainly reflected Stephenson's attitude:

Donovan exercises controlling influence over Knox, strong influence over Stimson, friendly advisory influence over President and Hull . . . Being a Republican, a Catholic and of Irish descent, he has following of the strongest opposition of the Administration . . . It was Donovan who was responsible for getting us the destroyers, the bomb-sight and other urgent requirements . . . There is no doubt that we can achieve infinitely more through Donovan than through any other individual . . . He is very receptive and should be made fully aware of our requirements and deficiencies and can be trusted to represent our needs in the right quarters and in the right way in the U.S.A.²³

The day after he lunched with Churchill, Donovan had a long conversation at the Foreign Office where he made it clear that his "primary object" was to obtain a coherent picture on the spot of the British position in the Near East and Mediterranean. He had stopped in London first in order to get acquainted with Britain's plans and intentions and to study "the whole picture of our war effort, with particular reference to the Atlantic." As he saw it, the British were taking a "severe plastering" on the seas, and American policy ought to be aimed at remedying this situation. He told his interlocutors that he would make a report to the American people who attach "great value" to a verbal rather than a written report.²⁴

Before leaving London, he publicly declared that on returning from his first visit he had reported that the British people were "resolute and courageous." Now he would add, he said, that they were "confident." Aside from admitting

²¹ Speech given by Donovan to officers of the War Department 17 [20] March 1941, *OSS Records*, Job No. 62-271, Box 29, Folder 8, p. 2, cited hereafter as "WD Speech." The date on the text is 17 March; Donovan did not return until the 18th, and he did address Army officers on 20 March.

²² Tel. No. 1608, 24 December 1940, *F.O. Papers*, A 5194/4925/45 (1940) No. 543.

²³ QC, p. 44. Godfrey stated in a letter to the writer, 12 December 1968: "I had nothing to do with D[onovan]'s Mediterranean trip and sent nothing to Cunningham."

²⁴ Cf. n. 36, p. 42, *supra*.

that his trip was official, he evaded questions about its purpose, saying only: "I accept as the truth that shipping is the most urgent war problem facing Britain now."²⁵

Back home, on 27 December, a sharp reader might have noticed a nine-line item at the bottom of the page that Donovan had left London the day before "for an undisclosed destination . . . Friends said that Colonel Donovan had not left for Ireland, the United States, or the Continent, but was making a 'private trip.'"²⁶ Again, however, a delay was encountered, and four days' waiting at Plymouth gave him a good chance to see some of the training of a unit of commandos about which he got quite excited and was to write a long paper to Secretary Knox.²⁷

Donovan Sees Everything

This is not the place to write a detailed account of Donovan's journey, which must be reckoned one of the most extended, varied, and important trips taken to scenes of World War II action by any American, certainly up to that time.²⁸ He had left Baltimore on 6 December and was not to return home until 18 March. In that time he traveled from Portugal to Britain, and then he was off to Gibraltar and Malta, to Cairo, which he reached on 7 January, to the Western Desert of Libya, back to Cairo and off to Athens, Sofia, Belgrade, then back to Greece and the Albanian front, next to Turkey, Cyprus and Palestine, back again to Cairo and soon off to Baghdad, in Cairo once again, and then began a homeward journey which still had him stopping at Gibraltar, Malta, Spain, Portugal, and Ireland, and back to England again before finally heading for the States. (See Figure 5.)

As befitting a representative of the President and one who had the full confidence of the Prime Minister, Donovan saw everybody, everybody, that is, except General Franco, who was "very busy," and General Weygand, because the Germans made it clear they did not want Donovan on French-controlled territory.²⁹ Otherwise, Donovan saw and talked at great length with King Farouk of Egypt, King George and Premier Metaxas of Greece, King Boris of Bulgaria, Prince Regent Paul of Yugoslavia, his chief ministers and several generals, the Mufti Haj Amin al Husseini, Foreign Minister Suñer in Spain—whom he treated exactly "as if he was a German,"³⁰ and Premier de Valera in Ireland. He saw no end of British generals and admirals, including Wavell, Dill, Wilson, Cunningham, and Tedder.

²⁵ *New York Times*, 21 December 1940, p. 1, col. 4.

²⁶ *Ibid.*, 27 December 1940, p. 2, col. 5.

²⁷ "WD Speech," p. 2.

²⁸ Col. Dykes kept an excellent diary, 60 pages, typewritten, single-spaced. It is a document that, properly edited, could stand on its own as a source-book on World War II. *Donovan Papers*, Vol. 3, cited hereafter as *Dykes Diary*.

²⁹ On Franco, see tel. from U.S. Ambassador Weddell to Hull, No. 162, 1 March 1941, RG 59, File 740.00118 E.W., 1939/142. On Weygand, see paraphrase of tel. from U.S. Embassy, Vichy, France, No. 151, 3 February 1941, *CNO Files*, A 8-2/EF13. See also *Dykes Diary*, p. 37, "The Germans evidently dislike the very strong line he has been taking on our behalf in the Balkans recently."

³⁰ *Dykes Diary*, p. 58.

SECRET

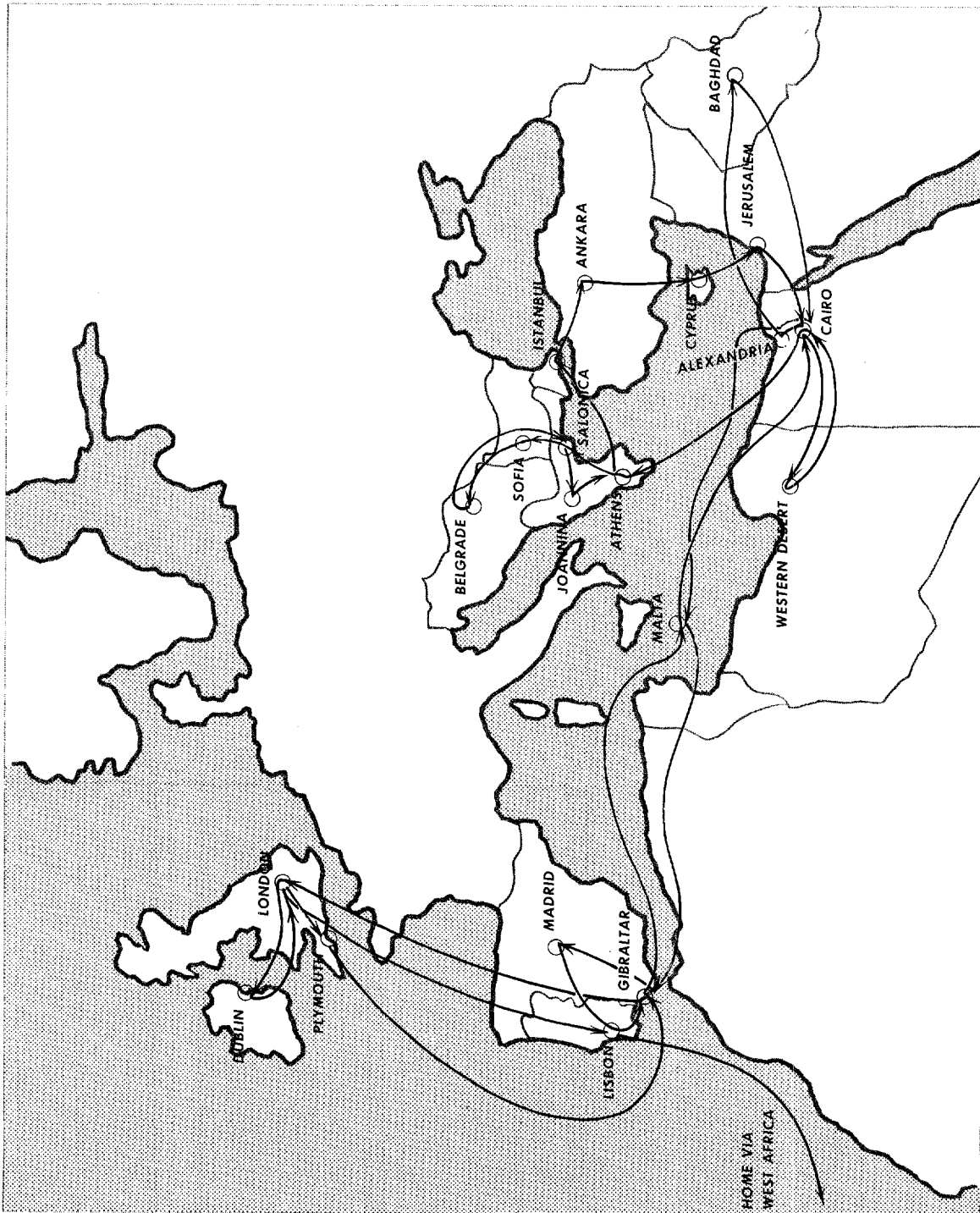


Figure 5. Donovan's Travels, Dec. 1940—March 1941.

SECRET

Wherever he went he busied himself with what was on peoples' minds. In Gibraltar, preparing defenses was the order of the day; the thinking was that the Germans could not take the Rock, but control of Spain would deny Britain the use of the harbor. In Malta, he found praiseworthy the defense efforts being put forth by "an old sapper," General Dobbie, "a Cromwellian soldier who goes around carrying a Bible in one hand but a damn good sharp sword in the other." In Libya and Egypt he was impressed by the quality of Britain's military leadership: Wavell, whose model is General Allenby, who writes well, and has "an excellent force with him," General "Jumbo" Wilson, a big, husky fellow with a fine eye for ground;" a corps commander named O'Connor, "an active, driving kind of fellow, which was evidenced by the way he pulled off that final advance on Benghazi;" and Admiral Somerville, "who was the fellow who did the firing at Oran and [is] really a high class man."³¹ In Cairo he had a long talk with Brigadier Shearer, the deputy chief of military intelligence, who showed him "some of his Intelligence Establishments ('Y' and 'M')." ³² In Palestine he was surprised to see how quickly "the Jewish boys got on to the rhythm of the drill, whereas the Arabs, "being more dull by nature, had quite a time trying to keep step." In Iraq he talked with the Mufti and others, all of whom wanted to talk with him in order to get arms. "They were a little discouraged on that when we finished our talk."³³

It was the Balkan world, along with the problem of supplies for Britain, and protection of the supply line, that preoccupied him. In Greece, his talks with the leaders covered Greek preparations, strategy, and tactics for the resistance they were determined to offer to any German advance. They covered also the supplies needed by the Greek Army: anti-aircraft guns, mountain guns with ammunition, Ford trucks, donkeys eleven hands high, uniforms, shoes, and socks. His visit to the Albanian front impressed upon him the ruggedness of the Greek soldier, his simple but eloquent emphasis on liberty, and especially, the fact that he was making his fight "with a rifle, a rock, and a mule."³⁴ In Athens, and everywhere he went, he delivered his own message that Britain was fighting, that America would support the democracies, and that the President himself was being given "overwhelming support" in this regard.

Bulgaria and Yugoslavia were critical points because of their exposed position vis-a-vis German moves to the southeast. At Sofia he had a celebrated hour and a half meeting with King Boris in which that monarch, already secretly committed to Hitler, merely smiled when Donovan, endeavoring to ascertain the Bulgarian attitude, summarized it as meaning that the Bulgars would delay a German passage as long as possible, then permit it under pressure, but not participate with the Nazis. Sofia also provided Donovan's celebrated loss of his wallet and passport, which were snatched from him either while he was conversing with the King or back in his hotel room when the lights were unaccountably turned off.³⁵ While the theft was subsequently the subject of many

³¹ "WD Speech," pp. 2-4.

³² *Dykes Diary*, p. 15. "Y" referred to a naval wireless interception organization, and "M" was an SOE school.

³³ "W.D. Speech," pp. 8-9.

³⁴ *Ibid.*, p. 7.

³⁵ *Ibid.*, p. 4. With him at the time was "one of the British security fellows" whom U.S. Minister Earle wanted him to see.

jokes, it had no serious consequences, even though the British quickly picked up a report that secret documents of theirs had been lifted from him; and there followed the usual flurry of telegrams reflecting "acute concern."³⁶

Yugoslavia gave him a good opportunity to appreciate all the imponderables of the critical Balkan situation. Would Germany intensify political and economic pressures or attack? Against whom? Where? When? To what extent? The Yugoslavs, he was certain, would not permit German passage, but would they intervene if the Germans moved to and through Bulgaria? "While not without hope," Donovan was "impressed with the weaknesses and divisions of the Belgrade regime."³⁷ Yugoslavia provided him with another celebrated event, this time alleged responsibility for the anti-Nazi coup pulled off in Belgrade shortly after he left the country. Donovan wrote "No" to this charge, and Langer and Gleason concluded: "There is no evidence . . . to show that either American or British influence played an important part in this dramatic overturn." Even so, the occasion was grist for the Nazi propaganda mill.³⁸

The Balkan situation was the cause of the high point of Donovan's trip, namely, his meetings in Cairo with British leaders as they wrestled with the question of whether and how to help Greece resist a German onslaught. The British consulted him as a representative of the President, as someone who was passionately interested in their welfare, and as a clear-sighted strategist, as one who had been on the ground, talked with the leaders, understood the issues and fully appreciated the consequences of action and inaction. He was on his way to the Sudan when a message from Foreign Secretary Eden asked him to wait in Cairo for the arrival of himself [Eden] and General Dill, Chief of the Imperial General Staff.³⁹ On the day they were to arrive, Donovan had dinner alone with General Wavell, who then outlined what he intended to tell Eden and Dill.⁴⁰ Donovan favored British help to Greece and had been a vigorous supporter of the British effort, in vain as it turned out, to form a Balkan alliance to forestall a German move. He was present with the British leaders when the decision was taken to send not only supplies but British soldiers back on to the continent to help their Greek ally. Not unappreciative of the value of his support, they asked him to go to London to present his study of the Mediterranean before the Council of War.⁴¹

That study had just been written by Donovan and is one of two long papers that he sent to Washington. The first of these papers was "the substance of information that I have obtained from a great many different kinds of people."

³⁶ The telegrams are in RG 165, File 2257-ZZ-331, Nos. 2-4. Actually it was not a joke at the time; Dykes wrote: ". . . when I returned I found him [Donovan] looking as worried as I have even seen him . . . we made a frantic search through all his bags . . .," Also, this time on the lighter side, the Bulgarian authorities were so understanding that crossing the border without a passport was "easier" than with one, *Dykes Diary*, p. 27.

³⁷ Langer and Gleason, *op. cit.*, p. 398.

³⁸ *Ibid.*, p. 408. Donovan's "No" is written opposite the statement: "There is no doubt that it was entirely due to the line he took in Yugoslavia that General Simovic was persuaded to eject the then pro-German Government . . .," which appears in "British Relations with OSS," *loc. cit.*

³⁹ Paraphrase of Tel. No. 82, 20 February 1941, from U.S. Legation, Cairo. *CNO Files* A 8-2/EF13.

⁴⁰ "WD Speech," p. 9.

⁴¹ Tel. No. 87, 22 February 1941, from U.S. Legation, Cairo, *CNO Files*, A 8-2/EF13.

The report summarized major attitudes about the likely course of the war; the "main idea" he found throughout the Near East was the belief that Germany, to achieve a decisive victory, had to invade and conquer Britain. This entailed destruction of the British position in the Near East and the maintenance of the Nazis' own position in Southeastern Europe, and Donovan then outlined the various options that lay at hand for the Germans.⁴²

His Mediterranean study was a different kind of paper in that it not only discussed possible and probable developments but prefaced them with a brief outline of his theory of the Mediterranean as a "No Man's Land," and supplemented them with his own strong advocacy of American support of a Balkan alliance. The Mediterranean, he had decided since his trip in July, was not so much the east-west line of communications that was traditional in British thinking as it was now "a no man's land between two lines on a strategic front running from Spain to the Black Sea. Germany holds the northern or European line except at the two ends. Britain has gained control of much of the southern or African line." It was now up to Britain, he argued, to work from inside the Mediterranean, to gain control of that sea, to retain her salient in Greece, and to hold on to the Balkans, while keeping Germany out of Spain, as well as North Africa, at the other end of the "no man's land." Arguing and urging like a lawyer in court, he declared the President should lend his name, which held such appeal in the area, and his support to a league of Greece, Turkey, Yugoslavia, and, if possible, Bulgaria, against the Nazis.⁴³ This was not to be, but that is another story, as is the painful consequences of the decision on Greece.

His visit to the Iberian Peninsula enabled him to contrast the economic campaign needed there with the military campaign called for at the eastern end of the Mediterranean. Ever concerned with the socio-economic aspects of warfare, Donovan found that the only way of keeping the Germans out of Spain was to ship in food. He had talked with Dr. Alexis Carrel, then studying the effects of near-starvation in Spain, who told him the Spaniard was living on 800 of the 1800 calories that an ordinary human required.⁴⁴

Throughout his travels, Donovan had met and talked with several military and naval intelligence people, just, it must be stressed, as he had talked with all kinds of specialists in the fields of strategy, tactics, aircraft, ordnance, transportation, training, health, and anything that pertained to the winning of the war. What contact, however, did he have with such outfits as SIS and SOE? The former was paying the bill for his travels, and Dykes regularly contacted the Passport Control Officer. In Athens this was a man named "Edge." In Sofia Donovan "met Smith-Ross, our P.C.O. there, and brought him back for a talk in the hotel." In Belgrade Dykes had "a long talk with Lethbridge the P.C.O. . . . and discussed with MacDonald the D. organization which was apparently in a very bad state in Grand's time but now shows some signs of improvement. This corroborates what Alec Ross told me in Belgrade." Back in

⁴² Tel. No. 24, 7 February 1941, from U.S. Embassy, Ankara, *ibid.*

⁴³ Tel. No. 81, 20 February 1941, from U.S. Legation, Cairo, *ibid. Dykes Diary*, pp. 48-52 shows that Dykes wrote the first draft of this appreciation, and Donovan "redraft[ed] it in his own words."

⁴⁴ "WD Speech," p. 10.

Athens, Dykes had "a long talk with Forbes . . . about our C. and D. organization in the Balkans with which he is profoundly dissatisfied like everyone else I have talked to in these parts." In Madrid Dykes "went round to Walsh, Passport Control Officer, to send off two cables for D[onovan] and get a little money to buy a picnic lunch for myself and D." It is not too much to conclude that Dykes and all these people must have contributed significantly, at the bidding of Churchill, Stephenson, and Menzies, to Donovan's education in secret intelligence and special operations.⁴⁵

Deeper into Intelligence

Before Donovan returned to London, he had been the subject of some Cairo-London cable traffic. Eden, still deep in making the decision on Greece, took time out on 22 February to suggest to the Prime Minister that on the return of Donovan to London "we show him every attention and express our gratitude in anyway possible." Eden particularly thought that Donovan would appreciate it, "and it would strengthen his hand when he gets home," if Churchill agreed to send a message to the President, through Lord Halifax, Ambassador in Washington, thanking both the President for sending Donovan and the latter for the "judgment and energy . . . the real service" he had rendered to "this country and our cause."⁴⁶

Meanwhile, another telegram from Cairo suggested that some "priming" of American correspondents in London might help to get "full publicity" out of the access given Donovan and the use he made of it.⁴⁷ On both matters, Balfour at the Foreign Office had words of caution. Donovan, he said, had come as the "personal emissary" of Knox, not of the President; indeed, while he had the confidence of the President, he was not one of his intimate associates. "We have, moreover, heard from the Embassy in Washington that Mr. Cordell Hull is slightly jealous of Colonel Donovan." Balfour thought a message of appreciation could be sent to Halifax, who could then send it on to Knox, who, in turn, could decide on sending it to the President. As for the press, Balfour pointed out that Donovan "is himself determined to do everything to promote our cause" but has made it clear that he will handle the press in his own way. He did not want to see American correspondents before seeing FDR lest they misrepresent the strong position he had taken in support of the British in the Near East. Balfour cautioned that Britain did not want to make it appear that Donovan was taking a stronger line than the U.S. might wish.⁴⁸

⁴⁵ *Dykes Diary*, pp. 20, 26, 28, 34, and 59. Grand was Lt. Col. (later Maj.-Gen.) Laurence D. Grand, who headed the SIS division D (Subversion), which became part of SOE. Division C handled espionage.

⁴⁶ Eden to Churchill, Tel. No. 361, 22 February 1941. *F.O. Papers*, A 1728/183/45 (1941).

⁴⁷ Tel. No. 359, n.d., *ibid.*, A 1154/183/45 (1941). The following appears in *Dykes Diary*, p. 52: "(On 21 February) . . . I also drafted another telegram, as from Eden, to the Foreign Office regarding the publicity arrangements necessary for D. on his return to England. We had discussed these at considerable length, and he had pointed out to me that it was necessary that he should get a 'build up' in the American Press if his report was to carry full weight." The last sentence, beginning "We had discussed" was heavily blacked out with a pencil.

⁴⁸ For Balfour's comments, see Tel. No. 359, *supra*.

On 25 February, a Foreign Office minute indicated that "some time ago" Ambassador Halifax was told to convey Britain's thanks to Knox, because Donovan was *his* emissary. "But if Colonel Donovan himself would like a message of appreciation sent to the President, we should be only too glad to send it. We could confirm that this would meet his wishes when he arrives." The Prime Minister, at the end of January, had sent a letter of congratulations to Donovan. The last available item on this suggestion is Sir Alexander Cadogan's recommendation that the matter be taken up with Donovan when he arrives, because he "is a person with whom we can discuss matters with entire frankness."⁴⁹

Donovan had planned on returning to London even before Eden, Dill, and Wavell had asked him to do so; Eden, indeed, had politely made such a visit a pre-condition for letting the Colonel go to the Middle East front.⁵⁰ Donovan got back to England "just at the time that Eden and Dill had worked things out in the East, and it [the decision to aid Greece] was put up to the War Cabinet. They asked me to go before the Joint Board, made up of the Representatives of the different arms and the economists from the Ministry of Economic Warfare . . . I then went to luncheon with the War Cabinet and with the Chiefs of Staff."⁵¹ What he told them is not known; but, given half a chance, he must have outlined his Mediterranean strategy, and surely he endorsed the decision to send troops into Greece. Several days later he described that step to American officers as "a very daring and audacious thing," calculated to make the Germans pay for everything they took.⁵²

Once back in England, however, he found other items of war dumped on his doorstep, and these were items which linked him more closely to Stephenson's kind of activity.

Some of this, the commandos, he has seen while waiting at Plymouth. He had seen much more of highly specialized guerrilla units training and operating in Libya. He was greatly impressed by the employment of parachutists who had been trained in England, then based briefly in Malta, and finally dropped into Italy in order to destroy an aqueduct. "The net effect was that all through Italy was spread this fear of the British parachutists coming into the country."⁵³

In London he was thoroughly briefed on the organization and operation of the Special Operations Executive. He had a meeting with its head, Sir Frank Nelson, who in response to his request for "a few brief details," sent Dykes a note on the SOE training schools, a short description of "our Board of Directors—so to speak," and a "brief outline of system adopted in this country" for special operations.⁵⁴ Nelson said the Board was composed mainly of business-

⁴⁹ The F.O. minute and Cadogan's comment are found in Eden's Tel. No. 361, *supra*.

⁵⁰ Letter from Eden to Halifax, 5 December 1940, *ibid.*, A 5059/4925/45 (1940) No. 521.

⁵¹ "WD Speech," pp. 10-11.

⁵² *Ibid.*, p. 11.

⁵³ *Ibid.*, p. 8.

⁵⁴ Letter from Nelson to Dykes, 11 March 1941, with attachments on "the system" and on the "Special Training Schools," *Donovan Papers*, Job. No. 65-508, Box 83, Item 5 (Vol. 2) cited hereafter as *Donovan Papers*, Vol. 2.

men; this "Brain Trust" met every morning for an hour to consider projects, which were then turned over to the Intelligence and Planning Department and then to the Director of Training and Operations.

The special training schools, some of which he visited, were conducted by SOE's M Section. They trained foreigners as either "desperadoes" for specific raids or sabotage in their own or other countries, or as "organizers and agents" to be sent to enemy-occupied countries to organize Fifth Column activities. Depending on which category an individual fell into, his training varied from four weeks to indefinite. The "desperadoes" went to "Depots" where the unfit were weeded out and then to "Para-military schools;" the others continued on to "Finishing Schools" where they were trained in security organization in hostile territory, the use of agents, propaganda—whispering campaigns, rumors, etc., "political training"—anti-Nazi underground political movements, and "organization of subversive warfare."

In describing the "system" Nelson's aide memoire covered organization, collaboration of the Foreign Office, secret funds, cooperation of the military services, and training. He listed some of the assistance currently needed: diplomatic bag facilities, secret W/T facilities, civilians to be infiltrated to spread anti-Axis propaganda, interference with Axis export trade with South America, and—of particular interest to Donovan and the U.S.—the recruitment of foreign elements in the U.S. and South America who could be sent back to enemy territories, and the intensification of counterespionage in the Western Hemisphere and the Far East.

Another person Donovan met was the Director of Postal and Telegraph Censorship Department, Ministry of Information, Mr. E. S. Herbert. Much of his work must have been covered by Stephenson when he and Donovan were sweating out the "waves of Horta," because, as has been pointed out, Bermuda was a vital mail and communication link between the hemispheres. What Herbert now gave Donovan was information on his major problems with the U.S. The first concerned efforts to obtain the State Department's assistance "in getting as much control as possible of enemy communications with the Americas." This involved the routing of American planes and ships in such a way as to bring the communications under British control. The other problem related to "preparation for cooperation of British and U.S. censorships in the event of U.S. entering the war." On this point Herbert outlined the basic requirements of a mail censorship system and referred to what had been shown or told to Hoover and Clegg of the FBI and to Army and Navy officers.⁵⁵

A third person close to Stephenson's field, Lord Swinton of the Security Executive, also had business with Donovan. The problem that concerned Swinton was the effort of the Nazis to get Allied and neutral seamen to desert their ships in U.S. ports and thus seriously hamper the British shipping program. What Swinton wanted was some means of preventing seamen, when arriving in the States, from claiming the pay due them and deserting, even though they had signed up for a return voyage. "It would be a great help if discipline and

⁵⁵ Letter from Herbert to Donovan, 7 March 1941, with 3 attachments: "Note for Colonel Donovan;" Aide Memoire, 2 December 1940; "Mail Communication with the Western Hemisphere," *ibid.*

the observance of contracts of service could be enforced by . . . United States courts.”⁵⁶

Donovan Alarms G-2

Donovan had been away from home for three and a half months of exacting travel, inspection, consultation, and exhortation. On 19 March he came home full of news and views and with a long list of “things to do.” Without anticipating this subject (See Chapter VIII), one must note here some of the impact of this trip on his thinking about intelligence and the “directive idea” that Stephenson had “continually pressed upon him” and “argued” with him.

Less than three weeks after he had returned, he had said and done enough to give rise to this report which General Sherman Miles, Assistant Chief of Staff for Intelligence, sent to General Marshall, the Chief of Staff:

In great confidence O.N.I. tells me that there is considerable reason to believe that there is a movement on foot, fostered by Col. Donovan, to establish a super agency controlling *all* intelligence. This would mean that such an agency, no doubt under Col. Donovan, would collect, collate, and possibly even evaluate all military intelligence which we now gather from foreign countries. From the point of view of the War Department, such a move would appear to be very disadvantageous, if not calamitous.⁵⁷

This report is the earliest document found which links the name of Donovan with such a plan; and however much one may take issue with words and lines, with facts and intentions, it is clear that ONI and Miles had hold of a very important truth, a very real possibility, and—from their point of view—a very real danger.

To appreciate the cleverness of the move which this knowledge prompted Miles to recommend to Marshall, one must first see what was happening in MID, ONI, and the FBI, for it was a problem of theirs which soon caused Roosevelt to look for a coordinator of intelligence.

⁵⁶ Letter from Swinton to Donovan, 7 March 1941, *ibid*.

⁵⁷ Memorandum from Miles to Marshall on “Coordinator for the Three Intelligence Agencies of the Government,” 8 April 1941, National Archives, Record Group 319 (Records of the Army Staff), File 310.11. This Group will be cited hereafter as RG 319.

Chapter VII

ROOSEVELT AND THE INTELLIGENCE AGENCIES

So far in this narrative, attention has been focused on Stephenson's need for the establishment of an American counterpart to his BSC, and on Donovan's growing familiarity with the British and the newer challenges and responses of modern warfare. Meanwhile, President Roosevelt and the investigative agencies had been grappling with the new threats to American security posed by Axis warfare. The FBI, the Army's Military Intelligence Division, the Navy's Office of Naval Intelligence, and the Department of State felt themselves in control of the situation, and their activity and attitude constituted a large share of the domestic climate within which both Stephenson and Donovan had to work.

FDR Brings the Agencies Together

The President apparently took the first step in the coordination of intelligence, in the context of pre- and post-World War II developments, when on 26 June 1939, in a well-known order, he told the "directors" of the FBI, MID, and ONI "to function as a committee to coordinate their activities." He told them that they were to control and handle "the investigation of all espionage, counterespionage, and sabotage matters," and that no other U.S. investigative agency was to be so involved. These other agencies were to be told to "refer immediately" to the nearest FBI office "any data, information, or material that may come to their notice bearing directly or indirectly on espionage, counterespionage, or sabotage." This memorandum was sent to State, Treasury, Commerce, and the Postmaster General, as well as to War, Navy, and the Attorney General.¹

The engine that was supposed to make this system operate was the Assistant Secretary of State for Administration, who, at the time, was George S. Messersmith. Aside from being a career officer of stature and experience, he had most recently served the President in the field of coordination by successfully incorporating the foreign services of Agriculture and Commerce with that of State. Some time in the mid-fifties, Messersmith dictated a memoir on how he came to be asked by the President "to coordinate the activities of the investigating agencies" of the government.²

It happened "some time towards the middle of 1939." Messersmith connected it with the visit in June of the British King and Queen. Presumably it occurred before the issuance of the President's memorandum. In any case, Secretary Hull relayed the President's request to him. FDR "had been concerned . . . for a long time with the duplication of activities between the investigating

¹ Memorandum from FDR to Secretaries of State, Treasury, War, Navy, and Commerce, and to Attorney General and Postmaster General, 26 June 1939, *CNO Files*, (SC) A8-1/ (A and N).

² *Memoirs; George S. Messersmith Papers*, Newark, Del., University of Delaware Library, Box IX, Vol. III, Folder No. 5. Messersmith died in 1960; mid-fifties, as date of dictation, is suggested by internal evidence.

agencies" of the government; he found that the three agencies often followed the same matter at the same time and were "constantly crossing each other's tracks." The duplication, the President felt, was costly as well as wasteful, and in these serious times, it was essential that we have the best possible information.

The President made clear that he wanted not elimination but coordination of these agencies' activities. "The President was of the opinion," recalled Messersmith, that "if the heads of these agencies, under the leadership of one person, coordinated their activities through regular contact, the efficiency of performance would be greatly increased." For personal reasons Messersmith did not want to undertake the job; he was also deterred from doing so because of the "zealous" way in which these agencies protected their interests and because of the "further peculiarity [that] no one trusted the other." He was "extremely doubtful" that anything could be accomplished, but the President, not unmindful of the difficulties or the long hours Messersmith was already working, nevertheless wanted him to make "at least an effort to see what could be done."

The Assistant Secretary then discussed the matter separately with each agency head, then invited them to dinner and a conference. The Director of the FBI did not appear. The others listened respectfully to Messersmith's elaboration of the President's initiative, but the "atmosphere was cold and formal. The antagonisms were not personal . . . They represented the attitudes of their respective agencies." Without Hoover, moreover, the meeting was useless, and another meeting was set for the following week. This time Hoover appeared, thanks, according to Messersmith, to a personal Presidential directive. This time also "the atmosphere eased up a good deal," and agreement was reached on Messersmith's plan which called for regular weekly meetings. Through the months that followed, there was established "an effective machinery of exchange of information, allocation of work; and this constant close contact . . . in itself was, of course, of inestimable value." All realized the wisdom of the President's directive. In retrospect Messersmith emphasized his belief that this initiative was the "original idea which finally led to the formation of the Central Intelligence Agency."

Whatever the accuracy of the above account, especially in its details and its emphasis on Messersmith's role, it is clear that the FBI, MID, and ONI commenced regular meetings in which the Assistant Secretary of State, at first Messersmith, and then, when he went to Cuba as Ambassador, his successor Adolph A. Berle, acted not exactly as the chairman but more as an overseer and link to the President. Their meetings went under the heading of the "Interdepartmental Intelligence Conference," which, throughout 1939-1941, was chaired by Hoover, whose office kept and distributed minutes to MID, ONI, and State. It was to this group that Hoover reported the desire of the British Purchasing Commission "to set up an intelligence unit in the U.S." The first significant organizational outgrowth of the IIC was the development in June 1940 of a "Special Intelligence Service," which was run for all three agencies by the FBI, and which was to be the first cause of friction between General Miles of MID and Hoover.

The idea of the service was the result of efforts of the Conference members to work out a delimitation of the responsibilities of each of the agencies in the

light of the President's directive of June 1939.³ Apparently there was little difficulty on the basic delimitation: to the FBI was assigned responsibility for investigation of cases—of espionage, counterespionage, sabotage, and subversive activities—involving civilians in the U.S. and its territories excepting the Panama Canal Zone, Guam, Samoa, and the Philippines. MID was to handle the Military Establishment, including its civilians, and to cover the Canal, the Republic of Panama, and the Philippines; ONI was to have comparable duty with regard to Guam and American Samoa. What gave the Conference difficulty was the coverage of these cases outside the U.S. and its territories.⁴

On 31 May Hoover pointed out that until recently the Bureau had not extended its activities into foreign countries. "He explained confidentially that upon the instructions of the President the Bureau was arranging to detail men to Mexico City and Havana, but that this was the limit of the Bureau's operations in foreign countries." Who then was to be responsible for the investigation of subversive activities directed from foreign countries? "It was the consensus . . . that a decision should be reached as to the identification" of the agency which should handle this work. Miles thought State's opinion ought to be solicited and "an immediate decision" requested from Mr. Berle.⁵

At the meeting on 3 June there was undertaken a discussion of "a special Intelligence Service" possibly to function at this time only in the Western Hemisphere. Admiral Anderson of ONI had pointed out at the previous meeting that "Naval attachés are never allowed to maintain paid informants,"⁶ and on this occasion Miles emphasized that the attachés were not to be compromised. The Conference agreed that trends in South America, especially Colombia and Venezuela, had to be watched very closely. Berle stated that if MID and ONI wanted the FBI to establish a "Special Intelligence Service" on the east coast of South America, State would cooperate. Anderson thought War and Navy ought to be allowed specifically to request the FBI to undertake activities in foreign countries, and Hoover said the Bureau could undertake any work abroad requested by State. Anderson, after other subjects had been discussed, returned to the subject of an SIS and stated that the "Navy was anxious to cooperate in setting up a foreign intelligence service," and that it ought to be done immediately, especially in Mexico and South America. A subcommittee was established.⁷

A report, written on 6 June, skirted the question of who should run the service and contented itself with describing a service whose government connection should be well hidden, whose Chief should operate under business cover and maintain his office in a "metropolitan industrial center, preferably New York City," and whose operatives—men of honesty, integrity, and patriotism—should not be known to one another and should be able "to meet and develop

³ Memorandum of Agreement on "Coordination of FBI, ONI, and MID," signed by Brig. Gen. Sherman Miles, Rear Admiral Walter S. Anderson, and J. Edgar Hoover, 5 June 1940, *CNO Files*, (SC) A8-5.

⁴ *Ibid.* The signers found inadequate the section on cases directed from foreign countries and hence agreed to "study" the matter.

⁵ IIC Minutes, 31 May 1940, RG 165, File 9794-186A/2. CONF.

⁶ *Ibid.* CONF.

⁷ ICC Minutes, 3 June 1940, *ibid.*, File 9794-186A/3. CONF.

as sources of information nationals of the country in which they are to operate.”⁸ This proposal was endorsed by the group on 11 June when all agreed that the approval of the President had to be obtained before any other organizing activity was undertaken.⁹

With Miles in his office, Secretary Berle telephoned the President and laid before him the IIC's request for his decision on which of the three—FBI, MID, and ONI—should run the proposed foreign intelligence unit. “The President said that he wished that the field should be divided. The FBI should be responsible for foreign intelligence work in the Western Hemisphere, on the request of the State Department.” MID and ONI should cover the rest of the world as needed.¹⁰ With this decision in hand, Hoover notified the Conference on 2 July that Assistant FBI Director P. E. Foxworth had been placed in charge of the SIS and that the Bureau would augment its undercover staffs in Mexico and Cuba but did not contemplate stationing intelligence officers in Canada or Greenland at that time.¹¹

Disagreement, however, was close at hand. On 23 July General Miles indicated to Hoover and Anderson his concern upon learning, from conversations between his officers and Foxworth and Clegg of the Bureau, that the operations of the SIS were to be “encyclopedic in scope.” Miles thought the President's decision related to the identity of the agency to run the SIS and not to the scope of its work. This, he thought, ought to be restricted to gathering data on subversive activities, especially those aimed at the United States.¹²

The subject was aired at the meeting on 26 July. Anderson thought there should be no restrictions on the SIS. Hoover insisted he had no intention of running into conflict with MID or ONI in the matter. Miles repeated his position, explaining that if the operations were “encyclopedic in scope,” the operatives would not be able to gather that particular brand of information which the services, by their nature, could not obtain. Presumably agreement was reached on a combination of emphasis on subversive activities and no restrictions on operations of the SIS. In conclusion, Hoover indicated his willingness to let War or Navy run the SIS if either so desired.¹³

Miles, however, was not happy with the situation. He and Hoover went over the same ground in August.¹⁴ As late as 12 October Miles brought it up again “at the risk of being thought repetitious on this point.” The SIS should stick to subversive activities; there is no need for its people to try to get what

⁸ Memorandum and Report on “Special Intelligence Service,” 6 June 1940, *ibid.*, File 9794-186A/4.

⁹ ICC, Minutes, 11 June 1940, *ibid.* CONF.

¹⁰ Memorandum from Berle to Miles, Anderson, and Hoover, 24 June 1940, *ibid.*, File 9794-186B/2, 7.

¹¹ ICC, Minutes, 2 July 1940, *ibid.*, File 9794-186A/7. CONF.

¹² Memorandum from Miles to Anderson and Hoover, 23 July 1940, *CNO Files*, citation missing, SECRET.

¹³ ICC, Minutes, meeting of 26 July, dated 29 July 1940, RG 165, File 9794-186A/12. CONF.

¹⁴ Letters from Hoover to Miles, 3 August, and Miles to Hoover, 7 August 1940, *ibid.*, File 9794-186B/4; and Hoover to Miles, 15 August 1940, *ibid.*, File 9794-186B/5.

the attachés “are supposed and potentially equipped to get—factual military data concerning the numbers, equipment, organization, training, etc. of the armies to which they are accredited.”¹⁵ Meanwhile, a bigger case of MID-FBI friction was in the making, this time in New York City.

FBI and MID: A Storm Breaks Out

On 1 July Miles had advised General Marshall, Chief of Staff, that there was “an immediate necessity to build up our intelligence system covering the Western Hemisphere.” He explained that there was a great deal of information on the hemisphere available in the New York offices of the many large firms engaged in foreign trade, but that it was not available in Washington. Just as a New York office of MID proved useful in the last war, so also, he thought, it was useful now. It should not be a part of the G-2 office of the Second Corps Area, because it had to serve MID directly.

Miles proposed that the office be established by a Lt. Col. William C. Crane, who had already looked over the situation in New York, and that Crane run it until he had time to select and train a reserve officer as a replacement. This proposal was approved by Secretary Stimson on 6 July;¹⁶ the office was opened on 30 July. About September it was taken over by Major Frederick D. Sharp, who was soon to be at the center of a Miles-Hoover clash. Sharp, incidentally, was also the gentleman who was informed by Miles in October 1940 that he was soon to be called upon by W. S. Stephenson, “an Englishman . . . whose telephone number is Circle 6-8580.”

Either reflecting or anticipating trouble, Miles sent Sharp a page and a half of guidance on the “function and scope” of the New York office. Its primary purpose was “to establish direct liaison with such business firms or individuals as may be of use to the M.I.D. in the procurement of information from abroad,” and the information desired was to be military, political, geographic, and economic in character. “Occasionally,” Miles wrote, “information . . . on subversive activity in foreign countries” might be sought; but the office was not to seek information on such activity in the U.S., nor conduct any investigation of such activity. Any information that it did receive on this subject was to be transmitted immediately to the FBI, to MID, and, where necessary, to the G-2 of the Second Corps Area or the District Intelligence Office of the Third Naval District. Finally, the office had to use its discretion in deciding whether information on subversive activities within the U.S., emanating from contacts of the New York Office, be sent direct to the natural recipient—which was desirable—or be sent via the New York office.¹⁷

About the middle of January 1941 Sharp’s contacts with American firms in New York were running into conflict with the FBI, which was similarly engaged in gathering information from firms with personnel or facilities in South America. Business firms were complaining, MID was told by E. A. Tamm and

¹⁵ Two letters from Miles to Hoover, 12 October, and one from Hoover to Miles, 10 October 1940, *ibid.*, File 9794-186B (no separate filing).

¹⁶ Memorandum from Miles to Marshall, 1 July 1940, *ibid.*, File 10153-407/1.

¹⁷ Memorandum from Miles to Sharp on “Function and Scope of New York Office, M.I.D.,” 2 November 1940, *ibid.*

Foxworth of the FBI, that they were giving the same information to more than one agency of the government.¹⁸ A sub-committee of the IIC then endeavored to work out a written agreement and "operational procedure" to obviate the criticisms of the business houses. The essence of this procedure was that Major Sharp would clear with the FBI before making any contact with a firm. Miles, however, rejected the idea on the ground that the FBI simply was insufficiently manned to provide Sharp with the kind of service he needed.

Miles then sought a meeting with Hoover in order to settle the matter, but Hoover was so busy with Congressional hearings in the week of 27 January that this was not possible. The matter of a meeting was mentioned to Tamm again on 6 February, and on that day he relayed to Miles' representative, Lt. Col. J. A. Lester, waiting in an outer room, Hoover's answer that he "could not see how anything could be accomplished by a discussion as there is no basis for a discussion." Hoover indicated that nothing could be accomplished as long as MID insisted on going beyond the Presidential directive of 24 June, that MID had to stop operating in the SIS field, and that if Miles wanted the June directive changed, he would have to take the initiative. Tamm further stated that when the "storm broke" about the operation of MID in the SIS field, Hoover had gone to the Attorney General saying he did not want the SIS responsibility and was willing to give it to MID, ONI, or both.¹⁹

The Attorney General was not the only top official now involved in the hassle. On 12 February Stimson wrote in his diary:

I also was much troubled to hear that Edgar Hoover has been making trouble at the White House over General Miles—my G-2—and Marshall is much troubled over it too as Hoover, apparently instead of coming to me, goes to the White House with his complaints and poisons the mind of the President and I am going to have a show down to it if I know the reason why. [sic]²⁰

The next day Marshall went to Stimson "in great perturbation" because of a message he had received from the White House through General "Pa" Watson, secretary to the President, asking who General Miles' successor would be. Stimson told Marshall to tell Watson that he, Stimson, was now handling the matter, and then he began "to hustle around" to get the facts so that he was "armed and thoroughly heeled" when he did handle it.²¹

In the meantime Hoover had sent Miles a list of charges against MID. These pertained not only to the operation of Sharp's office, but also to MID activity which Hoover charged would extend "subversive coverage of the military establishment into civilian plants and life," to alleged MID dissatisfaction with the

¹⁸ Memorandum from J. A. Lester to Miles on "Coordination with FBI regards Major Sharp's office in New York," *ibid.*, File 9794-186B/8. CONF.

¹⁹ All above, *ibid.*

²⁰ *Stimson Diary*, 12 February 1941. On 14 October 1940, Stimson had written: "General Miles came to me with reports of trouble with Edgar Hoover, who seems to be a good deal of a prima donna and has taken offense at some very innocent actions of Miles. It only shows how many little unnecessary troubles we have to keep the great machine from going into friction and trouble."

²¹ *Ibid.*, 13 February 1941.

FBI's form of coverage in industrial plants, and to MID efforts, according to Hoover, to acquire information on subversion in plants directly from the plant authorities themselves.²² This letter was taken by Marshall to Stimson, whose account of what happened follows:

(the letter) was a very childish, petulant statement which seemed more like a spoiled child than a responsible officer, calling attention to all sorts of little things which ought to have been the subject of mutual collaboration and a telephone call rather than a formal letter. This same letter had been sent to the Bureau of the Budget and probably had gone to the President. I went over it carefully with one of the Assistants of G-2 and got a statement made of the respects in which the letter was erroneous—and there were many of them. And then I called up Bob Jackson, the Attorney General, and told him of my situation and asked him if he would meet me and talk it over. He was very nice about it and said he would come that afternoon and asked me to have Knox in, as he wanted to talk about a similar matter with him, so at 4:30 he and Knox and I met and went over this whole matter. I was much relieved by Jackson's attitude. He told me that he had found Hoover a most difficult person to deal with; that he quarrelled with all of Jackson's predecessors as Attorney Generals [sic] but, however had not yet quarrelled with him. We agreed that we must make another effort to establish a proper collaboration and cooperation in a matter which was likely to be most serious and of public import at any time. If there are quarrels between the three Federal Agencies which the people are relying on to protect them against sabotage, just as we are entering on this great development of munitions, we are likely to have a great deal of trouble. Well, the cooperation of my two colleagues was so good that I felt very much relieved and am looking forward to my interview with the President with more hope.²³

Apparently Stimson did not or was not able to get in touch with the President, but the intervention of higher authorities seems to have had the usual stabilizing effect. Miles took strong exception to some language and ideas in a proposed outline of operational procedures and denied that business firms had been complaining about duplication but concluded that "M.I.D. would be glad to cooperate with F.B.I. and O.N.I. in the New York Area (which is the crux of the subject under discussion) to the extent of free exchange of information and consultation on contacts." He added the two important provisos, however, that the three agencies had to maintain offices so located as to facilitate the work and "that such cooperation is on the basis of equality and implies no recognition of the primacy of any agency in responsibility, function or operation."²⁴

This seems to have been the basis on which the disagreement was papered over, for thereafter there were regular meetings in New York of the local representatives of the FBI, MID, and of ONI, whose representative, Wallace B. Phillips will be discussed shortly, and of the Army and Navy district offices.

²² These charges and MID's answers are found in "Charges Contained in Letter of February 10, 1941," RG 319, File 310.11.

²³ *Stimson Diary*, 13 February 1941.

²⁴ A draft of comment by or for Miles on an FBI memorandum of 3 March 1941, RG 319, File 310.11.

A meeting on 7 March may have been the first of these. On 10 March, Sharp, writing to Miles, referred to "the meeting in the F.B.I. office between the various branches of the service." Those present included D. E. Sackett, head of the New York office of the FBI, Captain Roscoe C. MacFall, the ONI chief, Colonel Frank Ross, G-2 from Governors Island, and "Mr. Soucy, head of the Baltimore Office, F.B.I. (who, it is understood, will hereafter be in close liaison with Mr. Phillips and myself), and four other members of the F.B.I. from cities adjacent to New York."

Upon Sackett's request, Sharp outlined the work of his office, the information sought, and named some of his contacts. He explained that, operating under a directive, he had made preliminary arrangements with Pan American Airways and American Export Lines to meet incoming planes and boats in order to interview arrivals from foreign countries. He assured the group he was doing nothing in the subversive field other than forwarding whatever information came unsolicited to him. He also explained a program of reviewing manuscripts and magazines for "certain static information" of interest to the War Department. Finally, in response to his pointed queries, the group assured him that his activity did not duplicate or interfere with their work.²⁵

If this local interdepartmental intelligence conference thought it now had control of the situation, it had another thought coming. Just as President Roosevelt had installed an engine, in the person of Assistant Secretary Messersmith, into the IIC in Washington, so also was he about to install—to everyone's surprise—an engine in the New York local, and this in the person of Commander Vincent Astor, U.S.N.R.²⁶ To see how this happened, it is first necessary to see what the Navy was doing in New York throughout this changing and somewhat turbulent period.

More Trouble: ONI and Vincent Astor

Admiral Anderson, like Hoover and Miles, was very much aware of the need for getting not only more information but also more sources of information. The international situation had obvious grim implications for the Navy at home and abroad. Anderson had been a vigorous advocate of the establishment of the SIS, especially in South America. At the time of its authorization, he had told the IIC that he had already commenced a program of sending out retired officers to seaports in order to get acquainted with shipping operations, industrial conditions, and important persons who could supply needed information in times of emergency.²⁷

Anderson went even further and established his own SIS, but years later was to remark that "it never got off the ground, because it was taken over by Donovan's outfit."²⁸ Actually it did get off the ground, although it did not go

²⁵ Letter from Sharp to Miles, 10 March 1941, RG 165, File 10153-423/5.

²⁶ In June, 1940, Roosevelt wrote Stark that he had asked Astor "to coordinate the Intelligence work in the New York area," but the origin and ramifications of this assignment are not known. He appears to have been coordinating between the FBI and British intelligence, but apparently had no formal connection with the other IIC agencies in New York until March 1941, when Roosevelt named him "Area Controller" of the New York area.

²⁷ IIC, Minutes, Meeting of 25 June, dated 1 July 1940, RG 165, File 9794-186A/4, CONF.

²⁸ Rear Admiral Walter S. Anderson, private interview, New York City, 7 October 1969.

far; and it was not "taken over" by Donovan so much as it was accepted by him when the military decided late in 1941 that the new COI should run the "undercover" or "secret" intelligence service.²⁹ In any case, Anderson, in December 1949, hired Mr. Wallace B. Phillips, a civilian, to work as his Special Assistant in the development of an undercover intelligence service.³⁰

Phillips was an American businessman long resident in London and active in American circles there. He had been in the American Red Cross in 1940 when its representative there was David K. E. Bruce, who was to play a leading role in COI and OSS affairs in London. Phillips was authorized by Anderson, who wrote of this to Miles, to establish an office in New York as a "representative of the Director of Naval Intelligence in matters relating to its Foreign Intelligence Service." Since Phillips' work in the domestic field was strictly confined to its relevancy to his "primary duties" in the foreign field, Anderson thought it would be desirable for Phillips to be in close contact with Sharp. They had already, in fact, been in contact, and Phillips had learned that Sharp had space for him in his office and was willing to take him in. Would the Assistant Chief of Staff agree to this arrangement?³¹

Miles, a day later, was "glad" to oblige:³² By 6 February Phillips, now described as "a representative of the Special Intelligence Service of the Division of Naval Intelligence," had two offices: one with Sharp at 1270 Sixth Avenue, and the other with the District Intelligence Office of the Third Naval District.³³

Miles next informed G-2 in New York, Colonel Ross, that "Mr. Wallace Phillips, whom I knew as one of the leading American businessmen in London, is now doing some important work for the Navy Department, and plans to have an office in cooperation with Major Sharp." Ross was informed that he would be called on by Phillips who could be relied on "implicitly."³⁴

There was bound to be some confusion about activity. When Sharp explained to the local intelligence group on 7 March that he was interviewing new arrivals from foreign countries, Captain MacFall of ONI said that Phillips "also had this type of project under consideration." Phillips informed Sharp that that was so, and that the two of them should work to avoid "possible overlapping."³⁵ But Miles had learned differently from Anderson's successor as DNI, Captain Alan Kirk, who had been Naval Attaché in London during Donovan's first trip. According to Kirk, it was MacFall who was to contact incoming travelers and Phillips was to work "solely with special agents in the field." Miles instructed Sharp accordingly,³⁶ and that disposed of any possible conflict be-

²⁹ Memoranda: from Miles to Marshall 5 September 1941, RG 319, File 310.11; from Stark to Knox, 25 September 1941, *CNO Files*, (SC) A8-5.

³⁰ Anderson to Miles, 11 December 1940, RG 165, File 10153-413/1, CONF.

³¹ *Ibid.*

³² Miles to Anderson, 12 December 1940, *ibid.*, File 10153-413/2. CONF.

³³ Anderson to District Intelligence Officer, Third Naval District (N.Y.), 3 January 1941, *ibid.*, File 10153-413/3. CONF.

³⁴ Miles to Col. Frank K. Ross, 15 January 1941, *ibid.*, File 10153-413/5. CONF.

³⁵ Minutes of Conference of ONI, G-2, and FBI, N.Y.C., 7 March 1941, with "Additions to Major Sharp's Remarks," *ibid.*, File 10153-423/1.

³⁶ Miles to Sharp, 13 March 1941, *ibid.*, File 10153-423/2.

tween MID and ONI. However, Phillips was soon to run into real opposition from a new quarter, Vincent Astor, and while it takes us ahead of the story, it is better to consider this Astor episode before reviewing Astor's appointment as "area controller" for New York.

As far back as January, when Phillips had barely gotten to work, Astor was making an inquiry at the White House about him and his activity.³⁷ As soon as Astor got a handle on his new assignment, he wrote the following, in long hand, to the President, then at Hyde Park:

One might suppose that I would leave you in peace while trying to get a rest in Hyde Park. However, here is a situation which I do not feel justified in keeping from you, for if it went wrong I believe it could result in a real scandal and be just what the isolationists would like.

The situation concerns a

Mr. Wallace Phillips

who has lived most of his life—at least since the last war—in England.

He claims to be very rich and to be great friends of Churchill and most of his war cabinet. Mr. P. apparently offered his services to British Intelligence, was turned down, and came to this country last autumn.

Admiral Anderson then gave him a job in O.N.I. on a "\$1 a year" basis and *without* a commission.

About two months ago, the #1 man in British Intelligence came to me and F.B.I. with the following story—Sir William Wiseman³⁸ had approached him and requested that he be taken back into the British service, in which event he could supply valuable information obtained from a Mr. Phillips who claimed that he

(a) had frequent contacts with you. [The President]

(b) was a great friend of Edgar Hoover who gave him the run of F.B.I. files.

(c) had access to M.I.D., O.N.I. and F.B.I. files in New York.

(a) and (b) I found to be untrue. (c) was largely true until ten days ago when I made some changes.

Phillips of course had made a very bad blunder in going to Wiseman, who is not now well regarded by the British, so I decided to keep aware of Phillips. For various reasons this proved almost impossible until ten days ago when you enlarged my responsibilities.³⁹

³⁷ Vincent Astor to Miss Marguerite Lehend, 31 January 1941, *Roosevelt Papers*, PSF Vincent Astor.

³⁸ Sir William Wiseman had been British intelligence chief in the U.S. in World War I. His World War II activities, which brought him in touch with Stephenson, Astor, and Admiral Godfrey, and which involved him with the FBI and the State Department, especially in the Fritz Weidemann-Princess Hohenlohe case, have never been investigated.

³⁹ These are discussed below.

Since then I have discovered the following from P. himself.

(a) He has entire charge of expenditures of the Navy's "Secret" fund (about \$100,000).

(b) He alone selects agents to be sent abroad.

(c) He refuses to allow F.B.I. to check these men.

(d) In my opinion he pays his agents exorbitantly (\$4000-\$6000 per year, plus \$10 per day, plus travel expenses).

What worries me is that all this is being done by a man who has no commission but only an appointment from a former Director of O.N.I.

I doubt if any dollar a year man should have authority to pay out secret funds, no matter how able he might be, and that would be especially true if he had lived most of his life in England and boasted of his English government friends.

Furthermore, in my opinion for what it's worth, Mr. P. is unreliable in his statements, indiscreet, and a social climber, which is a dangerous combination for one in his position.

I have reported the whole matter to Admiral Andrews (3rd Dist) who is just as worried as am I.

We took some action last Monday which didn't work. Before we try something new, I would like more than anything your advice, if only just 5 minutes worth. So, would you let me drive up to Hyde Park tomorrow (Monday) morning arriving at absolutely any time you say? I promise by all that's holy not to stay a moment longer than you wish.

Signing it "Respectfully, Vincent," he added a P.S.:

If Grace [Tully] could send me a message back by the car that brings this, or call me at home, of course I'd appreciate it. I shall be home all evening at Regent 7-2176 (*italics in the original*).⁴⁰

Two days later, and there is no indication as to whether he did or did not see the President on Monday, he wrote much of the same to Captain Kirk in Washington. He referred to the fact that Admiral Andrews had sent Captain MacFall to Washington the preceding week; and presumably this is the "action" which "didn't work." What he particularly stressed with Kirk was the very real possibility that some newsman would get hold of the story, and as a publisher (of *Newsweek*), Astor assured Kirk that only the publisher's right to hire and fire could discourage an editor from printing the story.⁴¹

On 10 May Admiral Andrews took the problem of Phillips to Admiral Stark, the Chief of Naval Operations. Phillips, he wrote, "is not the man in any way for this job and his services should be discontinued at once;" and if he had to have a successor, Andrews had available "a man of higher caliber, of better

⁴⁰ Astor to Roosevelt, 20 April 1941, *Roosevelt Papers, loc. cit.*

⁴¹ Astor to Kirk, 22 April 1941, *ibid.*

attributes to fill the job," although he did not name him.⁴² In reply, Stark informed Andrews that "you should know that ONI, with the approval and knowledge of the Secretary and others, is attempting to create what we call here 'a Special Intelligence Service.'" Stark went on to defend the loyalty, patriotism, and integrity of Phillips, and concluded that "Colonel Knox has determined to continue Mr. Phillips on duty."⁴³

With that the Phillips question was disposed of. What makes Phillips particularly interesting to future COI developments is that he and his group of 13 agents constituted the first COI personnel specifically organized for secret intelligence work abroad. This group was moved into COI about 15 October 1941 and Phillips was asked to prepare his recommendations as to how undercover work abroad should be organized.

Now to return to Astor and how he became "Area Controller for the New York Area" as FDR's solution to the problem of coordinating intelligence, at least in New York.

Astor is Put in Charge

Long before the spring of 1941 Vincent Astor—multimillionaire, real estate investor, magazine publisher, ardent yachtsman, and neighbor of the Roosevelts—had been on the friendliest of terms with the President of the United States. They had first met as boys, when Franklin was at Hyde Park and Vincent just up Route 9 at Rhinebeck. They were brought together largely because Roosevelt's half-brother James served as one of the executors of the estate of Vincent Astor's father. After FDR's crippling illness, the Astor swimming pool was made available to him. The friendship, however, lay dormant until Roosevelt became Governor of New York in 1928, and Astor then became his enthusiastic supporter, and undoubtedly contributed generously to his campaigns.

As President-elect, FDR took his first cruise on Astor's well-known, luxurious yacht, the "Nourmahal," and took several more in following years.⁴⁴ The yacht gave rise to "the Nourmahal club" about which there are scattered items in the Astor-Roosevelt papers but not enough to give a clear picture of either the membership or the major purpose. Yachting was a bond between FDR and Astor, and just as importantly, perhaps, yachting also brought Astor and ONI into close contact over the years. He had turned the "Nourmahal" over to the Navy in both wars;⁴⁵ but in between them he piloted it around the West Indies, along the Ecuadorean coast, and among Pacific Islands, often after consultation with ONI and FDR. In 1938, for instance, he wrote FDR that he would be coming to Washington to see him and also to talk to ONI about a "planned voyage . . . in the vicinity of the Marshall Islands. If that is practicable, it should prove interesting."⁴⁶

⁴² Rear Admiral Adolphus Andrews to Stark, 10 May 1941, *CNO Files*, A 8-5.

⁴³ Stark to Andrews, 20 May 1941, *ibid.*

⁴⁴ These details found in letter from Astor to Roosevelt, 23 June 1937, referring to forthcoming *New Yorker Magazine* "Profile" of Astor. The remark on campaign contributions is the author's judgment.

⁴⁵ *New York Times*, 4 February 1959, p. 1, col. 3.

⁴⁶ Astor to Roosevelt, 13 January 1938, *Roosevelt Papers*, *loc. cit.*

Business also provided a link with FDR. In this respect, Astor began, somewhere along the line, acting like a one-man intelligence unit for the President. On 5 February 1940 he sent FDR a long list of individual Russian payments made to various U.S. manufacturers as shown by Amtorg's weekly drawings on the Chase National Bank.⁴⁷ In April he was reporting to the President the possibility of obtaining "valuable information" as the result of a recent Japanese approach to Chase's Winthrop Aldrich; all that was needed was the "cooperation and encouragement" of the Department of State. At the same time he was complaining to FDR, as has been mentioned, that State had quashed FBI contacts with the British intelligence chief, Sir James Paget.⁴⁸

In May-June 1940 he played a major role in a case, whose lineaments are not clear, which involved facilitating the return to the U.S. of the wife and mother-in-law of Carl L. Norden, inventor of the bomb sight. Apparently an FBI agent was to accompany Norden to Europe on the "S.S. Washington," a vessel owned or controlled by Astor, but there was some fear that Norden and the agent would be taken off the vessel by British authorities at Gibraltar. Astor wrote FDR that he had told Hoover the President "wished" him to send the agent with Norden and "to go ahead" and do it. Astor also arranged for "an FBI code book to be put aboard in the custody of the Captain's safe." Furthermore, he let State know that the President was "interested" in the issuance of a passport, whether Norden's or the agent's is not clear. Finally Astor reported to the President how he had held up the sailing of the "Washington" pending "the arrival of a fake bag to go aboard right after our agent," and how this ruse fooled the newsmen who were inquiring about the ship's delay.⁴⁹

No sooner was this accomplished than Astor was asking FDR about having his naval aide, Captain Callaghan, arrange for him, Astor, to see Admiral Stark. He realized that Stark "may be cross on account of the Norden incident, . . . and therefore put off seeing me. I hope he doesn't for there is so much to be done, and maybe not too much time."⁵⁰ At the end of June Roosevelt sent Stark a memo advising him that Astor would be in to see him: "I simply wanted to let you know that I have requested him to coordinate the Intelligence work in the New York area and, of course, want him given every assistance." He spoke highly of Astor's "wide knowledge of men and affairs in connection with general Intelligence work. Please pass this on to Walter Anderson."⁵¹

The DNI promptly had Astor called back into service on an inactive status. When navy personnel balked on doing that, Anderson simply said the President wanted it done. Period.⁵² Astor reported to the President late in December that orders had been issued "which will make it possible for me to do a job in Bermuda,"⁵³ where, incidentally, he had a fine home and was well known in the island's yachting circles. Early in February he was telling Assistant Secretary

⁴⁷ Astor to Roosevelt, 5 February 1940, *ibid.*

⁴⁸ Astor to FDR, 18 April 1940, *ibid.*

⁴⁹ Astor to FDR, 14 May 1940; another letter, undated, *ibid.*

⁵⁰ Astor to FDR, 1 June 1940, *ibid.*

⁵¹ FDR to Stark, 26 June 1940, *ibid.*, PPF 40.

⁵² Anderson, *loc. cit.*

⁵³ Astor to FDR, 26 December 1940, *Roosevelt Papers*, PSF Astor.

of State Berle, at the direction of the President, that he had three things on his mind: first, passport control between the U.S. and Bermuda, now that a U.S. base was being built there, ought to be instituted immediately; second, one or two FBI agents ought to be put in the construction gang at work on the base; and, third, he was "worried about the entire intelligence situation" and wanted to talk with Berle about it on another occasion. Secretary Berle concluded his memorandum of conversation with: "I gather that he is reporting directly to the President."⁵⁴

This was on 7 February, and it was then that the Miles-Hoover clash was spilling over into the offices of the Secretary of War, the Attorney General, and the President. On 8 March, Astor, as often happened, had lunch at the White House; and later that afternoon, he, Berle, and Kirk met with the President and discussed the subject of Astor—already intelligence coordinator in New York—getting new authority for resolving the situation in the city.⁵⁵ On 12 March Kirk sent Callaghan a draft of an order that had been approved by Berle. Two days later this was sent to FDR, who, on 19 March telegraphed his approval from Fayetteville, North Carolina.⁵⁶ New York had a newly strengthened coordinator of intelligence just like that.

The directive indicated that "all intelligence and investigational activities undertaken in the New York Area" by FBI, MID, ONI, and State "shall be coordinated through a single agency—to be known as the Area Controller." The Controller was to act as a "clearinghouse for problems," and was to "assign priorities and responsibility for the various problems" that the agency representatives were to lay before him. Hopefully, this new system would coordinate the agencies' activities and eliminate duplication.⁵⁷

The directive also indicated that it had been issued "with the concurrence of the Departments concerned," but General Miles was quick to point out to General Marshall: "It is not known who gave the concurrence of the War Department." He said that he had heard "rumors of the possibility of such a step being taken," but he knew very little of the background.⁵⁸ Stimson did not learn of it until 25 March when he noted: "This was news to me, and I am in a good deal of doubt as to whether it is a good piece of good administration or bad administration."⁵⁹ The rest of March was taken up with Miles, Hoover, Kirk, and Astor working out the guidelines under which the agencies were now to operate in New York. On 3 April Astor felt able to inform FDR: "The position of 'Controller' of certain activities in the New York area . . . is now practically established."⁶⁰

⁵⁴ Memorandum of Conversation by Berle, 7 February 1941, in State Decimal File, Passport office, File No. 138 Emergency Program/1459.

⁵⁵ White House Usher's Diary; and note from Kirk to Callaghan, 12 March 1941, *Roosevelt Papers*, PSF Astor.

⁵⁶ Memoranda or notes of 14, 19, and 20 March 1941, *ibid.*

⁵⁷ The directive was undated and unaddressed and forwarded to Miles by Berle in an undated letter and received by Miles on 22 March 1941, RG 319, File 310.11, CONF.

⁵⁸ Miles to Marshall, 24 March 1941, *ibid.*, CONF.

⁵⁹ *Stimson Diary*, 25 March 1941.

⁶⁰ Astor to FDR, 3 April 1941, *Roosevelt Papers*, PSF Astor.

There is no need here to follow later developments of the New York situation or the role of Astor therein except to note some comments made months later by Major Sharp, who had, of course, been an early, active participant in the weekly meetings that were now chaired by Astor. In August 1942, he was telling an MID official of the New York set-up: "these conferences are a bore . . . a great waste of time. However . . . Astor must have a job . . . Vincent Astor, for your information, *stands very close to the great white father*, so proceed but with caution."⁶¹ Three months later, he was going over much of the same ground with another high MID official and gave him this assessment of the early period:

. . . there was a definite need for some sort of coordination during the early days of this office—from September until about December 1940. At that time there was a great deal of misapprehension and misconception as to the sometimes overlapping directives of all the intelligence agencies in the New York field. This confusion was entirely straightened out, however, among ourselves, prior to the advent of the Area Controller. General Miles stated to me privately and confidentially that this thing had been forced upon him and that it was up to me to exercise the utmost diplomacy and tact in getting along with the Area Controller, and avoiding any possibility of having it said that General Miles' organization was not cooperating. This I have done so far.⁶²

G-2 Again: How to Control Donovan

However jaundiced Sharp's view of the Astor position, it seems clear from hind sight that the New York situation was a clear, if unnecessary, reminder to the President of the unfinished character of the assignment he had given George Messersmith two years earlier. Hence, he returned to the problem—and many other more pressing ones—after ten days of cruising on the "U.S.S. Potomac" and just two weeks after he made Astor "Area Controller."

He had an IIC in Washington run by an Assistant Secretary of State and a junior IIC in New York run by an "Area Controller," but, as he told the Cabinet on 4 April, he wanted something more:

The discussion of the conflict of the three intelligence agencies of the Government came up, viz: MID, ONI, and FBI, and all parties to the discussion seemed to admit that a certain amount of twilight zone was inevitable and the problem was the solution of that without friction. The President suggested that he recollected that in France the jurisdiction was subdivided into three parts:

- (1) G-2 Military Intelligence.
- (2) The civilian agency for prosecution, the "Sureté."
- (3) Over the twilight zone area, a joint board.

He also stated that the twilight zone was covered and disputes were settled in Great Britain by a gentleman known as "Mr. X," whose identity

⁶¹ Sharp to Col. W. W. Cox, 1 August 1942, RG 319, File 310.11.

⁶² Sharp to Brig. Gen. Hayes A. Kroner, 6 November 1942, *ibid.*

was kept a complete secret. He asked if our agencies would not confer as to the institution of a similar solution for our country in case we got into war.⁶³

When this report of the President's wish reached General Miles, it very quickly, if not immediately, brought to mind the name of Colonel Donovan, for it was on this occasion, on 8 April that he warned General Marshall that he had learned "in great confidence" from ONI that Donovan was fostering a movement to set up a "super agency" to control all intelligence.

Just as quickly he offered his recommendation for warding off this "disadvantageous, if not calamitous" prospect. Indeed, he had already "consulted both F.B.I. and O.N.I. on this matter," and they apparently concurred in his belief that "Col. Wm [sic] Donovan's name should be proposed to the President as the coordinator between the three intelligence agencies in any conflict which may arise *within the field of counter subversion* (prevention of sabotage and espionage)." He went on to say that the proposal of Donovan for the position the President had in mind "should . . . clearly indicate a limitation of his field of activities to counter subversion." This was the only field, he explained, in which "conflicts between the three intelligence agencies can arise;" and even here, he added, there has been "very little real conflict"—thanks to the agreement of the last summer which "I drafted."

Miles then attached to his memorandum the draft of a letter to be sent to the President, after it had been concurred in by the Secretary of War and the Attorney General. This embodied his nomination of Donovan for what amounted to an "Area Controller" on the national level. The letter suggested to the President that "the instructions under which the referee would act . . . be carefully drawn, in the first instance by the three intelligence agencies for the approval of the three Cabinet officers and for submission to you." He explained that the agencies' qualification for drawing up these instructions had already been manifested by their successful negotiation of the 1940 agreement whereby, he said, "the twilight zone" had been reduced as much as it could be.⁶⁴

As will be shown, this particular proposal never did reach the President. Whether it would have been acceptable to him is conjectural. Certainly as far as Donovan personally was concerned, it would have been laughed out of court. In any case, with the linking of Donovan's name to the President's request of 4 April, the fat was really in the fire.

⁶³ *Stimson Diary*, "Notes after Cabinet Meeting, April 4, 1941."

⁶⁴ Miles to Marshall, 8 April 1941, RG 319, File 310.11, CONF.

Chapter VIII

A GREEN LIGHT ON COI

Donovan's account of the establishment of COI is succinct, but it is also devoid of enlightening detail and not without some confusion.

In September 1943, he wrote:

Five months prior to the outbreak of war, a Committee of Cabinet members was appointed by the President to enquire into the matter [of an independent intelligence service]. That committee consulted with the writer of this paper who studied the problem, and prepared a report with certain recommendations which were accepted and put into effect by Presidential order.¹

Two months later, he told a War College audience:

When I came back, I found that there had been a committee of the Cabinet appointed to look into the intelligence situation . . . so that a Cabinet committee had been appointed to enquire into it. They talked with me and I made certain suggestions. As a result of that, there was set up what was called the Coordinator of Information.²

The element of time is not clear in these accounts. "Five months prior to the outbreak of war"—i.e., about 7 June—a committee was formed; on the other hand, "When I came back"—18 March—"I found . . . a committee had been appointed." There is no explanation of why the committee consulted *him*. Nor, interestingly enough, is anything said about the President. To try to straighten out the time, as well as reconstruct the event, one must begin with Donovan's return home on 18 March.

Cabinet Consults Donovan

On that date Knox informed the White House by phone that Donovan had landed in New York, and General Edwin "Pa" Watson then asked the President whether he wanted to see Donovan before they left the next day on their cruise on the "U.S.S. Potomac." Knox was told the President would see Donovan for 15 minutes the next morning, Wednesday, the 19th.³ Knox, of course, accompanied Donovan to the White House; also present was Harry Hopkins, and the "15 minutes" apparently ran from 9:30 to 10:30.⁴ What did they talk about? Aside from small and unrelated talk—and that could have

¹ Memorandum from Donovan to Maj. Gen. Walter B. Smith, 17 September 1943, Author's Files.

² William J. Donovan, "Office of Strategic Services." A lecture delivered at the Army and Navy Staff College, Wash., D.C., 1 November 1943, *OSS Records*, Director's Office, Op 125, Box 27, Folder 1.

³ *Roosevelt Papers*, PPF 6558 Donovan.

⁴ *Composite Presidential Diary*.

been considerable,⁵ the emphasis, with or without Hopkins present, must have been on the Balkan situation, the British problem in Greece, and the very pressing question of shipping—with which Donovan himself, as will be seen shortly, was both deeply and personally involved. The presence of Hopkins, whom Sherwood described as “the recognized and designated representative of the President in all considerations of production, transportation, raw materials, priorities, allocation, etc.,”⁶ strongly suggests that shipping and supplies must have taken up much of the hour. It has been said that when Donovan “reported [to the President] on his mission to the Mediterranean,” he “suggested the creation of a new agency” to carry out these five special functions: open, or “white,” propaganda, “secret, or ‘black,’ psychological-political warfare,” sabotage and guerrilla warfare, special intelligence, and strategic planning.⁷ In the time at hand, Donovan could hardly have gone into these subjects in any detail.

The President left town that afternoon by train—and it was from North Carolina that he sent back his approval of Astor for the New York job—and set sail from Florida the next day for a cruise which kept him away from Washington until the morning of 1 April. During his vacation “the President . . . studiously avoided doing any more official work than was absolutely necessary.”⁸ Did he see Donovan between his return and the Cabinet meeting on 4 April? There is no evidence on the point, and one is left wondering whether Donovan figured at all in the President’s mind when he discussed the friction among the investigative agencies.

While the President was relaxing—fishing, fixing up his stamps, playing poker, enjoying cocktails and dinner with Watson, Ickes, Hopkins, Jackson, Dr. McIntire, and Steve Early—Donovan was caught up in the Washington whirl of briefings and getting things done. He had already been with Knox. Next he was at the War Department visiting Stimson; “We talked for an hour, or an hour and a half, and it was very interesting,” noted the Secretary. Donovan has “played quite an important part diplomatically in the situation during his trip, and he and I stood over the map for a long time talking only in the way in which two old friends who are both interested in military affairs can do it.” Donovan’s talk, while it did not develop anything new, observed the Secretary, “was rather encouraging to me and he looks at the whole situation just as I do. He thinks we should begin now to convoy the British shipping—the situation which is the blackest spot now in the big panorama of action.”⁹

The next morning, at Stimson’s invitation, he addressed “the Officers of our Department” and gave them the account of the trip to which reference has been made in Chapter VI. He concluded with strong emphasis on shipping as “the dominant point” on which the British had to decide whether to cut down on food or on the munitions of war. If they allowed their food stocks to be

⁵ “As usual,” wrote Ickes of another occasion, “[FDR] did a great deal of talking about unrelated matters,” *The Secret Diary*, p. 533. Similarly, Sherwood, *Roosevelt and Hopkins*, p. 265, referred to the usual “wildly irrelevant” talk at meetings with Roosevelt.

⁶ Sherwood, *op. cit.*, p. 282.

⁷ Wallace R. Deuel, “History of the OSS,” *Donovan Papers*, Job. No. 62-271, Box 29, Folder 5, p. 103.

⁸ Ickes, *op. cit.*, p. 470.

⁹ *Stimson Diary*, 19 March 1941.

depleted, "the food situation for England will be a very serious one in the early winter of this year." For the United States this situation posed the question of allowing our supplies "to go down the drain" or of protecting them en route.¹⁰

In the meantime, Donovan was so wrapped up in this problem that Henry Morgenthau thought he had taken over Hopkins' responsibilities while Harry was cruising in the Bahamas. That is what the Secretary of the Treasury told his staff at a meeting on 20 March. Philip Young heard it differently; he "understood Donovan to say this morning he was just taking over on this Middle Eastern list which he had, not on the broader problem." The Secretary countered: "Well, certainly when Donovan left here, I gathered from him that the matter is entirely in his hands," and so Morgenthau ordered that he be given all the help he needed.

At this point, the Secretary paid fitting tribute to the Colonel:

He is the first man I have talked to that I would be willing to really back. I saw what he did last summer. But what I said still holds true. Anything you can do to help him, because he certainly is—[sic] he has been for a week actually in the trenches up in Albania. He was down in Libya when they took that last town, whatever the last town was. He was with Wavell for over a week. He was with Eden in Cairo. He has been twice in England. He has been in Spain and he has been in Portugal. I think he knows more about the situation than anybody I have talked to by about a thousand percent. And he is not discouraged.

To all this Harry Dexter White commented: "That is all good preparation for Washington." When asked to explain, he replied: "I mean, he ought to be at home in all the fighting that is going on." To this the Secretary said: "Well, he is a fighter, don't worry."¹¹

On 22 March Donovan told General Marshall that he had gotten on well with the G-2 of Wavell's forces, and this officer had suggested that he would be happy to explain their intelligence procedure to an American intelligence officer. Marshall then relayed this information to General Miles with the suggestion that he get in touch with Donovan. To this Miles replied that Donovan had given "me the same information."¹² Donovan also had already had "a long talk . . . with officers of this Division."¹³

On 25 March Donovan accompanied Secretary Knox to a two-hour meeting with Stimson, Marshall, and Stark, on the one hand, and a British delegation of Admiral R. M. Bellairs, Captain Victor Danckwerts, General E. L. Morris, and Air Commodore J. C. Slessor, on the other. These were the officers then in the United States for a very secret, prolonged round of Anglo-American staff talks. On this occasion, they had, according to Stimson, a "rather effective and interesting" discussion of escort duty, the British food shortage, and methods of convoy.¹⁴

¹⁰ *Ibid.*, 20 March 1941; "WD Speech," p. 14.

¹¹ *The Henry Morgenthau, Jr., Diary*, Franklin D. Roosevelt Library, Book 384, pp. 23-25.

¹² Marshall to Miles, 22 March; and Miles' reply, undated, RG 165, File 2257-22-341.

¹³ Memorandum from Miles to Marshall, "Joint Intelligence Committee," 15 April 1941, RG 319, File 350.05, CONF.

¹⁴ *Stimson Diary*, 25 March 1941.

About the same time, Donovan received help from Archibald MacLeish of the Library of Congress on the speech that he was to give to the nation on a nationwide hookup of the three networks on 26 March.¹⁵ He gave the people essentially the same country-by-country report he had given the officers of the War Department; but more importantly from the point of view of those who favored strong action in support of Britain, he argued vigorously that America was not actually threatened only because Britain was not beaten. He warned that aiding Britain meant making certain that the goods we made available actually got there. With obvious reference to the controversial point of escort duty and convoys, he asked, "are we going to deliver the goods?"¹⁶

He had any number of odd jobs to take care of for other people. Britain's Director of Postal and Telegraph Censorship had given him a problem to take up with the State Department. So also Lord Swinton had asked him to do something about the subversion of British crews in the U.S. In Ankara he picked up three items to take up with the Navy: sending Turkish officers to Annapolis for some training; stationing a Navy radio man in Istanbul or Ankara in order to receive daily State Department releases; and accrediting the Naval attaché in Turkey to Greece also. In Madrid he was asked to do something about strengthening the naval attaché system in Spain and Portugal. In London he was asked to urge "Mr. Hoover's F.B.I. [to] get after" one Isidore Lazarus, alias Lee Lane, a Rumanian Jew then in prison in the U.S., and get from him the story of his collaboration with top Nazis and of his "fleecing" of Jews who wanted to leave Germany.¹⁷

That the President's committee consulted him is not surprising. He had studied the Fifth Column and written on it. He had talked with Britain's intelligence chiefs and seen some of their problems, their operations, and their training establishments. He had seen commandos, guerrillas, and parachutists. He had collected more raw intelligence from more sources in more places than perhaps anyone on the scene, and he continually related all this data to strategy and tactics, to the problem at hand, to defense and victory. Perhaps the committee of Cabinet members "consulted" him, but his very activity invited that consultation.

The "consultation" took place at one of those meals, this time a luncheon,¹⁸ which Donovan was in the habit of hosting as a standard way of doing business. This probably occurred shortly after his return, although the opening quotation in this Chapter seems to link it closely with his report of 10 June. Other than holding this meeting, the committee seems to have been a casual thing. The President never mentioned it again or called for a report. There is no mention of it in either the Stimson papers or *The Secret Diary of Harold L. Ickes*. One exception to these assertions will be noted shortly.

After Stimson passed his notes on the 4 April Cabinet meeting to Marshall, the latter passed them on to Miles with the suggestion that he prepare a study for the Secretary "in case the question again arose."¹⁹ It was this suggestion which

¹⁵ Letter from MacLeish to Donovan, 24 March 1941, *Donovan Papers*, Vol. 3.

¹⁶ *New York Times*, 26 March 1941, p. 1, col. 4.

¹⁷ The Ankara, Madrid, and London items are in *Donovan Papers*, Vol. 2.

¹⁸ Deuel, *op. cit.*, p. 107.

¹⁹ Cf. note 64, p. 90, *supra*.

brought forth Miles' proposal of 8 April to make Donovan coordinator in counter-subversion cases. This was sent on to Stimson. A note, apparently written by John J. McCloy, reminded Stimson that he had read Miles' report but had "not acted on it" and suggested that it be brought up at the Cabinet meeting on 25 April.²⁰ Nothing came of this.

One member of the committee specifically consulted Donovan, and not surprisingly that was Knox. For the Secretary, Donovan wrote a four-page document which is significant in that it is Donovan's first paper on intelligence, at least the first that has been found. The purpose was to describe "the instrumentality through which the British Government gathers its intelligence." He laid down basic principles which should guide in the establishment and operation of such an organization in the United States: first, it should be above party; second, it should be controlled by the President; third, it should have its own secret funds; fourth, it should not take over the duties of MID, ONI, and/or FBI; fifth its functions should include sole charge of intelligence work abroad, the coordination of the activities of the military and naval attachés abroad, and classification and interpretation of all intelligence for the President; and lastly, the organization should have an advisory committee of the secretaries of War, Navy, State, Treasury, and the Attorney General.

Having outlined these principles, Donovan then added the reminder that he had been speaking of intelligence in the narrow sense. Modern war, he said, operates on more fronts than battle fronts. Here he referred specifically to communications in the sense of "the interception and inspection (commonly and erroneously called censorship) of mail and cables; the interception of radio communication; the use of propaganda; and the direction of subversive operations." To this list he added the covering line: "On all of these factors I have obtained first hand information which I think better not to set down here." He finally returned, at much greater length, to a description of the British system, which he broke down into two parts: the production sections corresponding to such departments of government as Foreign Office, War Office, and Home Office, and the distribution sections, which organized intelligence work abroad.²¹

Thus by the end of April the subject had been formally treated by Donovan, but also by that time it seemed to have died on the vine. The reasons will explain the role of Stephenson at this time.

FDR's Other Problems

Contrary to what Miles seemed to say or imply, Donovan personally had no desire to run a new organization, unless it were a commando or guerrilla organization. He still wanted to lead troops, and, fresh from Grecian and Libyan fronts, he felt the desire strongly. Stephenson has insisted that Donovan stoutly resisted the idea that he himself should run the organization which Stephenson envisaged as an American counterpart to his own BSC. Those who knew Donovan well insist that he never would have asked for anything like that for himself.²²

²⁰ *Henry L. Stimson Correspondence*, Yale University, Sterling Memorial Library, Box 385.

²¹ Donovan to Knox, 26 April 1941, *Donovan Papers*, Job. No. 66-595, Box 1, Folder 22.

²² Cf. note 46, p. 101, *infra*. Also, Doering, *loc. cit.* has said Donovan would have pushed the idea of COI but not himself.

The committee may well have felt that the situation which provoked the President's query on 4 April had been resolved. Stimson, for instance, was sitting on Miles' memorandum. On 12 May, the Secretary and Jackson discussed the state of relations between G-2 and the FBI, and both agreed that there was no longer any friction between Miles and Hoover. Stimson added that in that case he was not going to replace Miles, who, he thought, was doing "very good work in all the organizational duties" of MID, and Jackson agreed with that conclusion. On 20 May he told the President the same thing, and the President agreed with his decision to keep Miles.²³

For his part, the President never seems to have been really seized of the problem. He saw it as a problem of reducing "the twilight zone," whereas what Stephenson had in mind was an organization to conduct world-wide, offensive, clandestine operations, and what Donovan had in mind was even larger in conception, an organization that would include operations, the coordination of intelligence, and even strategic planning. When Miles and Hoover were pacified, the President had to be sold the new idea of a "coordinator."

The President's position, in the spring of 1941, was also greatly conditioned by other factors and problems which seized him and his Cabinet officers. In truth, some of the Cabinet thought he was not sufficiently seized of the problems. When Stimson and Jackson were agreeing that relations between G-2 and the FBI had improved, they were also agreeing, along with Knox and Ickes who were present, on "the general apprehension on our part about the indecision and lack of leadership of the whole war movement—the whole crisis."²⁴

That crisis was the worsening position of Britain, the President's indecision, and the confused mood of the people. Britain had suffered military reverses in the Middle East, and following the passage of Lend-Lease the Germans struck hard at merchant shipping. The President seemed to do nothing: he had been on a cruise; he had then been incapacitated by a lingering low-grade infection; if he was not ill, he was inaccessible except, grumbled Ickes, to Harry Hopkins; and to the country he was enigmatic, especially when his press conference of 28 May deflated the sense of direction and action given just the night before by his declaration of an unlimited national emergency. For Roosevelt, leadership was a question of timing, and he preferred his own sense of timing to that of others; more important, perhaps, was his apparent judgment against provocative acts which, in his opinion could only worsen the total situation.²⁵ Whatever the reason, despair gripped many; if he had had a voice that could influence people, Ickes would have quit the Cabinet and taken to the airwaves.²⁶

The President's interest in a "referee" for the intelligence agencies was also but a small aspect of the larger problem of readying the government for defense and—if and when it came—war. The Reorganization Act of 1939, two years in the making, had set up the Executive Office of the President and thereby given FDR "the administrative flexibility essential in time of crisis."²⁷ With the outbreak of war, and especially after the end of the "phoney war," the President

²³ *Stimson Diary*, 12, 20 May 1941.

²⁴ *Ibid.*, 12 May 1941.

²⁵ Langer and Gleason, *The Undeclared War, 1940-1941*, pp. 514-15.

²⁶ Ickes, *op. cit.*, p. 510.

²⁷ U.S., Bureau of the Budget, *The United States at War* (Washington: G.P.O., 1946) p. 15.

began establishing those "war agencies" which were to number 136 before the war was over. Of these, 32 were established before COI.²⁸ What this meant in the doing was the confused and controversial delimitation of new problems, new jurisdictions, and new channels of coordination, as well as the selection of the right people to run them. What else did Harry Dexter White have in mind when he spoke of "all the fighting that is going on"?

The President had just scored a great victory on 8 March when, after two months of furious national debate, the Senate finally passed the momentous Lend-Lease Act, but it was to be weeks before the new Administrator, Harry Hopkins, had an agency to back him up and months before the Lend-Lease Administration was actually set up. In the meantime, the activist members of the Cabinet—Stimson, Ickes, and Knox—had been agitating and meeting to "do something" about countering the Fifth Column at home, building up the "morale" of the population, and encouraging home defense. The day the President spoke of the "twilight zone" he met with Bureau of the Budget officials on the executive order setting up the "so-called home defense activities," and the President, who had Mayor LaGuardia in mind, said he wanted at its head someone "who would attract attention as a good ballyhoo artist and speech-maker." Smith of the Budget, who noted the President was talking about details, pointed out that what was needed was "some leadership in the Federal government for this whole field."²⁹

This subject brought up the name of Donovan. On 17 April, the Budget people discussed the draft order for civil defense with FDR a second time. They "tossed in some names from a list that we had made up. The only name that clicked to some extent with the President was that of Bill Donovan."³⁰ Later that same day, at the Cabinet meeting, Stimson again brought up "the question of a bureau for constructive counterespionage work," and Donovan was mentioned as a possibility along with Frank Bane, Edgar Ansel Mowrer, Max Gardner, Ambassador Bullitt, and LaGuardia. Finally, Vice President Wallace was asked to act as temporary chairman of the bureau.³¹ Eventually, on 20 May, the Office of Civil Defense was established with LaGuardia at its head.

Without going into all the details of the other problems and organizational activities gripping the President and his Cabinet, suffice it to say that Donovan's plan was not high on their list at this time. The same is not necessarily true, however, of MID, ONI, and the FBI, which were still seized of the implications of the 4 April request of the President, Donovan's plan, and a new proposal for a Joint Intelligence Committee.

Opposition to a Coordinator

On 27 March, a week after Donovan's return, the former military attaché in London, Colonel (now Brigadier General) Lee prepared, at Marshall's direction, a proposal for the establishment of a "Joint Intelligence Committee." Gen. Lee's proposal was born of his experience in London where he saw the mounting pile of information flowing out of the city into Washington and the incoming

²⁸ *Ibid.*, pp. 521-535, for a complete list of these agencies and their dates of establishment.

²⁹ *Harold D. Smith Papers*, Franklin D. Roosevelt Library, Conferences with the President, 1941-1942, Vol. 13, 4 April 1941.

³⁰ *Ibid.*, 17 April 1941.

³¹ *Stimson Diary*, 17 April 1941.

requests from Washington for information on the developing situation. Lee saw clearly that some new mechanism for the coordination of information was necessary, and he thought a JIC was the solution.³²

His proposal was forwarded to Marshall by Miles with a covering memorandum. The gist of this was that Miles agreed with Lee's definition of the problem; he referred to the fact, for instance, that MID had never seen the cables that Donovan had sent in; but he thought Lee's proposal would erect an organization that would dwarf anything in existence and would simply compound rather than solve the problem. Hence he proposed instead that the agencies concerned with this problem get together and work out some solution. He therefore drafted for the Secretary a letter to be sent to eight agencies: State, Treasury, Navy, Commerce, Office of Emergency Management, Administrator for Export Control, Office of Production Management, and the Maritime Commission.³³

Meetings were held on 5, 19 and 26 May. Discussion centered on information coming from the British Empire, and the proposal was made that each agency set up a "clearing house" for the exchange of information. The representative from State reported to Under Secretary Welles that he thought MID was engaged in "a fishing expedition," and "several other representatives" agreed with him. In other words, MID was satisfied with the present system of liaison but wanted it extended "to see if it could obtain additional and more expeditious information" from the other agencies.³⁴

The recommendations that issued from these meetings and were drafted and re-drafted throughout June are a masterly example of taking much time to do nothing. In forwarding the second draft, Miles, on 17 June, rather apologetically admitted that what was being proposed, while "a distinct improvement," was the maximum that now could be attained. With obvious reference to Donovan, he wrote: "There is, I understand, some advocacy of much more radical steps . . . to correct the present lack of systematic liaison between the various agencies."³⁵ The recommendations, which were finally agreed upon by the committee on 7 July, established a system whereby each agency retained complete control of its own information, released whatever it wanted, designated one or more offices within the agency as the "clearing house" for exchange with other agencies, and agreed on the definition of "Secret," "Confidential," and "Restricted."³⁶

Just to complete the record, Lee's original proposal of a Joint Intelligence Committee was not completely lost in the shuffle of paper that produced this agreement. On 12 June the British Military Mission in Washington established a local JIC to correspond to the JIC in London; W. S. Stephenson was one of the seven members on the committee.³⁷ On 23 June Admiral Stark forwarded

³² Memorandum from Brig. Gen. Raymond E. Lee to Marshall, 27 March 1941, RG 319, File 350.05.

³³ Cf. n. 13, p. 93, *supra*. The letter is dated 15 April 1941.

³⁴ Memorandum from George A. Gordon to Welles, 22 May 1941, RG 59, File 102.2/3434.

³⁵ Letter from Miles to each member of the committee, 17 June 1941, RG 319, File 350.05, CONF.

³⁶ Letter from Miles to each committee member, 7 July 1941, *ibid*.

³⁷ British Military Mission in Washington, "Formation of a Joint Intelligence Committee (Washington)," 12 June 1941, *CNO Files*, (SC) A8-2/EF13.

to Knox a detailed report on the London JIC: "translating this British set-up into our own organization would make such a JIC responsible, in effect, to the Joint Board." On 14 July Miles and Kirk recommended the establishment of a JIC³⁸ in a move calculated "to forestall intrusion into such privileged matters by the President's Coordinator of Information, 'Wild Bill' Donovan."³⁹

Meanwhile, the IIC was busily defending its garrison. On 15 May Miles, Hoover, and Kirk signed a report on their joint coverage of "the field of espionage, sabotage, counterespionage, subversive activities, and violations of the Neutrality Act." At their meeting on 21 May it was agreed the report would be sent to the President, and so the next day it was forwarded to "Pa" Watson by Hoover in the belief that the President "would be interested in the carefully coordinated program presently being carried out" by MID, ONI, and the FBI.⁴⁰

That same day Miles wrote Marshall that the IIC had agreed that a coordinator for the three services was not needed, that such an officer, if not restricted to the role of "referee," would be a "positive detriment" to the services' work, and that

there is every reason to believe that a coordinator named by the President would attempt to operate in the entire field of intelligence. This would mean that he would to a large extent control the collection and evaluation of military and naval intelligence required by the two armed services, a highly undesirable state of affairs.

Miles recommended therefore that "no steps be taken in this matter unless the President again revives his project," and that if he does revive it, then it should be "discouraged" by the three Cabinet officers concerned. Finally, if worst comes to worst, then the coordinator must have no control over military information and must be restricted to the role of referee in countersubversion cases.⁴¹

Just to make certain that their position was clear, the three signed another joint memorandum on 29 May. Their review of two years' work under the directive of 26 June 1939 left them with the "considered opinion" that "coordination between the three Services is working satisfactorily. The inevitable 'twilight zone' . . . has been progressively narrowed . . ." They further agreed that the "useful role" of a coordinator could only apply to "the now almost non-existent" cases of a conflict of authority in the countersubversive field. Moreover, they stressed that a coordinator would get in the way of the agencies' separate activities that lie outside "the scope of their coordinated activities." Their concluding sentence was unequivocal: "The appointment of a Coordinator of the three Intelligence Services is unnecessary and would entail great complication in, if not serious detriment to the National Service, [sic] while offering only negligible advantages."⁴²

³⁸ The recommendations were made in separate letters of 14 July and are cited in a memorandum from the Joint Planning Committee to the Joint Board, 10 September 1941, *ibid.*, (SC)A8-1(A and N), CONF.

³⁹ Ludwell L. Montague, "Intelligence Service, 1940-1950," Memorandum for Record. CIA, 1 December 1969, p. 6.

⁴⁰ All in this paragraph is found in RC 319, File 310.11, CONF.

⁴¹ Miles to Marshall, 22 May 1941, *ibid.*, CONF.

⁴² "Report on Coordination of the three Intelligence Services [FBI, MID, and ONI]," 29 May 1941, *CNO Files*, A3-1/A8-5(5-29), CONF.

Stephenson "Manoeuvres"

They were not tilting with a windmill. On 5 May Stephenson had cabled Menzies that he had been "attempting to manoeuvre Donovan into accepting the job of co-ordinating all U.S. intelligence." SIS has described this telegram as "the first actual reference" to Stephenson's efforts in this direction.⁴³

Years later, Sir William recalled that "in April of 1941" Roosevelt had begun to give some thought to expanding American secret activities, but "no decision was made for some time despite various pressures." Stephenson said he had "enlisted the help of several avenues of influence at the White House. Winant and Sherwood were the most persistent and effective, I think. There were others who kept the subject alive. Vincent Astor is one who comes to mind."⁴⁴

At the same time, Stephenson was encountering opposition from certain London quarters which were animated by "a certain aura of suspicion understandably associated with old established organizations whose lifeblood is the undiluted quintessence of cynicism." These circles, in the SIS, would have been "horrified" had they known the extent to which "I was supplying our friend with secret information to build up his candidacy for the position I wanted to see him achieve here." To counter this attitude he had to enlist the help of Churchill and rely on the continuing assistance of General H. L. Ismay and Sir Desmond Morton in the Prime Minister's "immediate entourage." Subsequently:

Our friend began to send up to the Summit papers designed to stress the lack and need of establishing undercover services equivalent to I [Secret Intelligence], O[perations], and PWE[Political Warfare Executive], Economic Warfare, external CE [Counterespionage] and other related activities. *Of course my staff produced the material for these papers and they were usually sent up in practically the original form.* There was always only one objective so far as he was concerned which was: 'I must garner all I can from any source which might be of help to my country in what I see so clearly lies ahead of it.' (Italics mine.)⁴⁵

Stephenson recalled, however, that Donovan was not initially taken with the idea of directing "the new agency that we envisaged;" and it was not "by

⁴³ SIS, *op. cit.* paras. 10 and 12. The telegram is in QC, p. 152.

⁴⁴ "Early Days . . .," pp. 7-8.

⁴⁵ *Ibid.*, p. 8. Until the writer read and pondered the italicized portion of this quotation, he remained puzzled by the stylistic dichotomy of Donovan's 26 April memorandum to Knox. Following are sample paragraphs which suggest separate authorship:

I think it should be read with these considerations in mind. Intelligence operations should not be controlled by party exigencies. It is one of the most vital means of national defense. As such, it should be headed by someone appointed by the President directly responsible to him and to no one else. It should have a fund solely for the purpose of foreign investigation and the expenditures under this fund should be secret and made solely at the discretion of the President.

Reports received from representatives abroad go first to Central Registry, when, after going through the processes of carding and attachment of files, they are stamped with the number of the Production section concerned and passed to it, a copy of each report (submitted in quadruplicate) being passed to the D. section to whom the reporting representative belongs. (This is done in order that the D. section can keep a record of representatives' activities; all correspondence other than reports goes direct to D. sections.)

Surely Donovan did not write the second paragraph!

any means a foregone conclusion that he would be offered the appointment." As late as 1969 Sir William observed that Donovan "wouldn't reach for the job, felt he shouldn't seek it, any more than he did for the New York governorship in 1946. Donovan was a proud man. But he was a natural for the job." As far as Stephenson was concerned, Donovan had unique qualifications: the confidence of the President, Hull, Stimson, and Knox; some understanding of the conduct of secret activities; the vision and drive to build an organization; and a demonstrated willingness to cooperate with BSC.⁴⁶

What, in fact, was Donovan himself doing in this matter during April and May? He had had the Cabinet committee for lunch. He had sent a paper to Knox. He has been quoted as saying, in regard to plans for an intelligence agency: "I talked to anybody who would listen," and the name cited as an example is Ambassador Winant, who, however, did not return to the U.S. for a visit until the first days of June. The record is sparse.

Stephenson has said that "our friend" was sending papers "to the Summit" on the need for undercover organizations; he had sent to Knox his paper of 26 April; on 10 June, apparently on request, he sent Roosevelt his very important recommendation for the establishment of COI; but not until 3 July did he send his long paper on the British Commandos. Other than these papers, it is difficult to know what papers Stephenson had in mind.

An interesting but somewhat puzzling account of Donovan's activity in April and May has been made by one historian of Britain's economic blockade of the Axis and reminds one of Miles' description of the movement being fostered by the Colonel: according to this historian, Donovan "was preparing far-reaching plans that would give him control over the administration of economic warfare, secret service, and political and psychological warfare." Donovan was also described as proceeding with a comprehensive plan of his own; and "many of the draft memoranda designed by Colonel Donovan to become presidential orders setting up a new emergency agency were shown to Mr. Hall" who headed the Embassy's economic warfare department. This last sentence with its "draft memoranda," "presidential orders," and consultations with Hall—if it has any substance—is either a repeat of Stephenson's papers heading for the "Summit" or a clue to undiscovered documents.⁴⁷

Despite Stephenson's "manoeuvring" and whatever Donovan was doing, nothing much was accomplished in May. On 9 May Vincent Astor sent to FDR a clipping from the *Herald-Tribune* in which Major George Fielding Eliot decried the lack of *real coordination* among the FBI, G-2, and ONI in regard to thwarting enemy agents and Fifth Columnists and called for the establishment of "a really efficient counterespionage service." What is needed, Eliot argued, is "a *special intelligence service* to act as *co-ordinator*, responsible directly to the President, acting with his own authority, and provided with personnel to conduct investigations of its own when necessary." Eliot also called for "a competent, intelligent, well-trained espionage service as distinct from sabotage, for work in enemy

⁴⁶ *Ibid.* The observation of 1969 is in Stephenson, private interview, 13 February 1969.

⁴⁷ William N. Medlicott, *The Economic Blockade, of the History of the Second World War, United Kingdom Civil Series*, ed. by W. K. Hancock (London: H.M.S.O., 1952), Vol. II, p. 502.

countries." The emphasis above was provided by Astor who told the President that Eliot's article "would seem to indicate that anonymity can be attained, at least for a while. We may not be very brilliant up here," he went on, "but I do guarantee that, in spite of what Major Eliot may think, there is co-ordination, very little friction, and, incidentally, lots of hard work, too." That Astor thought his operation was what Eliot had in mind is indicative of the distance that was still to be traveled.⁴⁸

A more pertinent letter was written two weeks later by Secretary Knox, and it takes us back to the "hero in search of a role." To Justice Frankfurter, who could always be relied upon to help Roosevelt fill empty slots, Knox unburdened himself:

Frankly and privately, I am a little disappointed that the Administration is not making better use of Bill Donovan's services. He has made such tremendous sacrifices and contributed in such an outstanding way, that it seems strange to me that some very important job is not assigned to him. I am getting to be a little sensitive about urging him because it looks as if I were trying to find something for him to do, which is not the case. I am impelled solely by the conviction that his services are of the highest possible value to the country in this crisis.⁴⁹

Surely Knox intended Frankfurter to do something about the situation, but alas! there is no indication he did. The situation was to change radically in ten days, but Winant, not Frankfurter, will be seen to be the engine of change.

In the meantime, Donovan was one of millions who were given new hope by Roosevelt's proclamation on 27 May of an unlimited national emergency. "My dear Mr. President," he wrote FRD, "permit me to say that your speech was superb and hit right on the button." This evoked a handwritten note, possibly from General Watson and at the President's request, telling Steve Early to "prep[are] a little line to Bill."⁵⁰

It must have been while Donovan's letter was in the mail or on the President's desk that the President and Henry Morgenthau were actually talking about a job for Donovan—Administrator for the State of New York for the Defense Savings Program. On 2 June, the Secretary told Harold Graves, one of his officials, that the President, who had been in Hyde Park since the 29th, "said try Donovan first, but he didn't think he would take it . . . Farley second and third, Swope." Morgenthau then directed: "I tell you what to do. You take Donovan and if he turns you down, I'd like to do Farley myself."⁵¹

Three days later Donovan was informed by mail that "the President has suggested that we should draft you to serve" as Administrator. "This," said the Secretary's letter, "would be a full-time job," and he agreed "enthusiastically" with the President, who thought the job would present "an unusual opportunity for public service in these critical times."⁵² In 1969 Stephenson observed that

⁴⁸ Letter from Astor to Roosevelt, 9 May 1941, *Roosevelt Papers*, PSF Astor. Eliot's article appeared on 8 May.

⁴⁹ Letter from Knox to Frankfurter, 22 May 1941, *Knox Papers*, Correspondence, Box 1.

⁵⁰ Letter from Donovan to FDR, 28 May 1941, *Roosevelt Papers*, PPF 6558 Donovan.

⁵¹ Transcript of telephone conversation, 2 June 1941, *Morgenthau Diary*, Book 403, p. 85.

⁵² Letter from Morgenthau to Donovan, 5 June 1941, *ibid.*, Book 405, p. 204.

he could have gotten "a dozen men on Wall Street to handle that job but only Donovan could handle the COI job." Stephenson thought that it probably was the Secretary, and not the President, who suggested Donovan, and at the latter's suggestion Stephenson talked with Morgenthau.⁵³

The job offer was to hang fire for two weeks, much to the impatience of the Secretary, for Stephenson's "manoeuvring" and Donovan's "talking," unproductive in May, were about to register triumph in June. Stephenson has been quoted as naming Sherwood, Winant, and Astor as three men through whom he worked on the President. These three certainly had both influence with and access to the President. Astor was at the White House on 24 April and 5 June. On 16 June, Donovan was reported "trying to sell [Astor] on the idea [of combining FBI, MID, and ONI] so that he in turn would sell it to the President."⁵⁴ Astor's position, however, is a little cloudy: when Stephenson recalled that "Vincent Astor is one who comes to mind," his dictation, subsequently scratched out, went on: "but he leaned toward the Hoover camp." There is no question but that Astor was a firm supporter of the Bureau at this time, and he may have had ambivalent feelings towards the projected organization. Stephenson's memoir, however, does leave Astor as one through whom he worked.⁵⁵

Sherwood was in even a better position than Astor to push the new organization, and he had some personal interest in seeing it come to fruition. On 16 June Sherwood wrote Morgenthau: "I'm waiting on the anxious seat for materialization of the job I want most to do."⁵⁶ The same day he was sending Donovan a list of names of people "for the work we discussed . . . yesterday evening at your home." These included Edmond Taylor, Douglas Miller, E. A. Mowrer, H. R. Knickerbocker, and Raymond Gram Swing, and clearly they were talking about radio propaganda, or what came to be the Foreign Information Service in the new COI. Certainly Sherwood had Winant in mind, when he also wrote: "Yesterday evening at your house was a wonderfully interesting one. I saw the Ambassador again today, He's a honey."⁵⁷

Sherwood, who had only lately become a Presidential speechwriter and a valued one at that, had also become a frequent overnight guest at the White House. He and Mrs. Sherwood were house guests for three days beginning 23 April; he was there again for three days on 7 May; and while the speech of 27 May was being drafted he was there for six days; he left the day before Roosevelt took off for Hyde Park. Sherwood apparently was not at the White House, however, in the important first half of June.⁵⁸

⁵³ Stephenson, private interview, 23 October 1969.

⁵⁴ Letter from Sharp to Miles, 18 June 1941, RG 165, File 10153-423. The rest of the quotation is: "I heard the other day that Col. Wild Bill Donovan is behind a movement to combine MID, ONI, and FBI . . . That Sec'y Knox was for the plan: That Mr. Hoover was dead against it."

⁵⁵ "Early Days . . .," p. 7.

⁵⁶ Letter from Sherwood to Morgenthau, 16 June 1941, *Morgenthau Diary*, Book 410, p. 221.

⁵⁷ Letter from Sherwood to Donovan, 16 June 1941, *Exhibits Illustrating the History of OSS*, Vol. III.

⁵⁸ *White House Usher's Diary*.

The former governor of New Hampshire, Ambassador Winant, is apparently the man whose arrival on the scene brought things to a head. A confidant of the President, Winant returned from his London Ambassadorial post, which he had taken in February as Kennedy's successor, talked with the President at Hyde Park, and was invited to stay at the White House. FDR returned at 8:45 on the 3rd, and met with Winant from 11:40 to 12:45.⁵⁹

This was the first of at least five scheduled meetings that Winant had with the President. They met again the next day, had breakfast together on the 6th; they lunched on the 12th, and on the 15th Winant and Hopkins had lunch with the President in his bedroom.⁶⁰ Winant's role has been stressed by Stephenson, and Donovan is apparently the source of the observation that Winant "went to the White House and urged the President to adopt the Colonel's plan—and to make the Colonel himself responsible for carrying it out."⁶¹ It is worth emphasizing at this point that the Ambassador, who was spending so much time with the President and whose autobiography makes clear he saw everybody else in Washington at the time, was also at Donovan's home, surely for dinner, when COI was being born.

Some time in these first ten days of June—while Morgenthau was awaiting Donovan's answer on the bond job, Donovan was asked by the President to submit his recommendations on the organization he had in mind. This Donovan did on 10 June in a well-known memorandum⁶² in which he argued the inadequacy of existing machinery for "analyzing, comprehending and appraising" such information as was available on enemy intentions and resources, both economic and military. His recommendation was the establishment of "a central enemy intelligence organization *which would itself collect, either directly or through existing departments of Government, at home and abroad, pertinent information*" on "potential enemies," their armed forces, economic organization, supply channels, troop and popular morale, and their foreign relations. (Italics mine.) As an example of the situation and his solution, he cited the need for bringing together all the information, scattered throughout the government, "upon which economic warfare could be determined." This and other information should be analyzed not only by Army and Navy officers but also by research scholars and others professionally trained as economists, psychologists, technicians and students of finance.

Donovan cited the need for developing psychological warfare against the enemy, and in this field he said radio was the most powerful weapon. True it was not perfected as a weapon, but this could be realized by planning, and planning required information. Finally he sketched briefly the layout of the organization: a "Coordinator of Strategic Information," responsible to the President, assisted by an advisory panel of the heads of the FBI, MID, ONI, and other

⁵⁹ *Ibid.*, and John G. Winant, *Letter from Grosvenor Square* (Boston: Houghton Mifflin, 1947), p. 195.

⁶⁰ *Usher's Diary and Composite Presidential Diary*.

⁶¹ Deuel, *op. cit.*, p. 108.

⁶² For a fuller account of this memorandum and ensuing developments, see Troy, "Donovan's Original Marching Orders," *Studies in Intelligence* XVII/2.

government departments, and drawing "much of the personnel" from the Army, Navy, and other branches of government.⁶³

At this point two other persons get into the act: two Britishers whom Stephenson and his deputy Ellis consider would-be usurpers of their own claim to having taken "the first steps" to "establish a contact with the President, Mr. Hoover, and with Donovan for collaboration in security and intelligence matters."⁶⁴ These two were Admiral Godfrey of Naval Intelligence, with whom Donovan "got along famously,"⁶⁵ and the Admiral's aide, Commander Ian Fleming, of future James Bond fame, whom Donovan had met during his recent trip. They had arrived in the United States on 25 May on a secret mission; the Admiral, in mufti, had alighted from the "Dixie Clipper" only to run directly into photographers' flashbulbs, meant, however, not for him but for the well-known but not necessarily—given the time—more newsworthy Mme. Elsa Schiaparelli.⁶⁶

Godfrey had come as representative of all the British services with a special mission to press upon the U.S. the integration of the intelligence services. He stayed in New York, how long is not known, at Donovan's apartment.⁶⁷ His story is that he had been getting nowhere with the services until finally Stephenson, bringing in Sir William Wiseman, suggested he had to tell his need to the President. This was arranged through Wiseman asking Sulzberger of the *New York Times* to lay it on with Mrs. Roosevelt. His meeting with the President took place at a White House dinner party on the evening of 10 June. Driving home, he "felt doubtful if he'd really made his point, but within three weeks" Donovan had "\$3,000,000 to play with as head of a new department."⁶⁸

At the time Godfrey apparently was not aware of Stephenson's own activity in relation to Donovan: "Godfrey's view now is that he and Fleming overrated at the time their part in briefing and boosting Big Bill, while underrating the skillful preparatory work done by Little Bill Stephenson."⁶⁹ Fleming's part allegedly centers on his drafting of the memorandum of 10 June. In 1957 Fleming wrote: "in 1941 I spent some time with [Donovan] in his home writing the original charter of the OSS;" and in 1962 he referred to "my memorandum to Bill on how to create an American Secret Service, . . . the cornerstone of the future OSS."⁷⁰

Fleming did write two memoranda for Donovan at this time. The second of these, dated 27 June, can by no means be called "the original charter of the OSS," but it certainly can be described as a memorandum "on how to create

⁶³ A photostat of the original of this memorandum is in U.S. Bureau of the Budget, *Records*, Folder 211. The original has not been located.

⁶⁴ Letter from Col. Charles H. Ellis to the author, 13 November 1969, Author's files. This writer talked about the matter with Ellis and Stephenson at the same time, 11 February 1969. Ellis is particularly unhappy that promised changes in *Room 39* were never made.

⁶⁵ David K. E. Bruce, private interview, Washington, 11 December 1969.

⁶⁶ John Pearson, *The Life of Ian Fleming* (N.Y.: McGraw-Hill, 1966), pp. 96-97; *New York Times*, 26 May 1941, p. 8, col. 3.

⁶⁷ Adm. Godfrey, private interview, 4 November 1969.

⁶⁸ McLachlan, *op. cit.*, p. 229; *Usher's Diary*.

⁶⁹ McLachlan, p. 234.

⁷⁰ Pearson, *op. cit.*, p. 101. The first quotation is from Fleming's Letter to Col. Rex Applegate, written in March 1957; the second is in a letter to Cornelius Ryan, 8 May 1962.

an American Secret Service.” Actually, while it is a most interesting document, none of its specific suggestions was implemented by Donovan.⁷¹

This second document referred parenthetically to “my previous memo,” but this has so far not been recovered. Is this what Fleming claims to have written in Donovan’s home? Certainly Donovan was the type of person to ask people to put their thoughts on paper, and there is nothing implausible about his soliciting help from Fleming. One who knew Donovan well has asserted that however much he welcomed others’ ideas and drafts, Donovan always wrote his own important papers; and in any case he would never have sent *to the President* such an important document as “the original charter” of OSS had it been written by someone else, and a Britisher at that!⁷²

The days from 10 to 18 June were days of waiting. On the 11th, Grace Tully sent word to General Watson that the President “wants to see Ben Cohen before he goes back to England. He will be here longer than the Ambassador. Also Bill Donovan.”⁷³ In the light of the meeting on 18 June it seems reasonable to conclude that FDR wanted to see Cohen and Donovan *together* about COI. On 13 June, Morgenthau, sweating about his war bond job, told Graves that Donovan, who was coming to see him, wanted “to tell me something about the President first.” On the 17th the Secretary was telling his secretary, Mrs. Klotz, to remind him to call up Donovan: “I want to have him give me a yes or no on whether he is going to take the chairmanship in New York State. I am not going to wait any longer.” At 9:10 that morning the following conversation took place:

Morgenthau: Hello.
Donovan : Good morning, Henry.
M : Bill?
D : Yeah.
M : I hope you won’t think I’m unduly restless.
D : Oh, no.
M : But we have to get started in New York.
D : Well, look Henry, I’m down here today because I’m supposed to have a date this morning . . .
M : uh uh
D : That’s the reason you haven’t heard from me.
M : I see.
D : I’ll get a hold of you just as soon as I get through, Henry.
. . .
D : I sent word by Frank the other day because I thought that was the quickest.
M : Frank?
D : Frank Knox.

⁷¹ Ian Fleming, “Memorandum to Colonel Donovan,” 27 June 1941, OSS Records, Wash-Dir-Off-OP 125.

⁷² Doering, *loc. cit.*

⁷³ Memorandum from Miss Roberta Barrows to Gen. Watson, *Roosevelt Papers*, PPF 6558 Donovan.

M : He didn't tell me anything.
D : Oh that God—
I told him to tell you, but I haven't seen him yet.
M : No, he never said anything.
D : Well, I thought that was the quickest way of getting it to you.
M : He must have forgot.
D : I'm sorry, Henry, because I was trying to get that word to you.
M : Good, well, you think between now and sunset?
D : Oh, even if I don't hear, I will call you.⁷⁴

Donovan did not call, either before or after sunset. He clearly had other things on his mind.

The next day at 12:30 Donovan, Cohen, and Knox met with the President. He "accepted in totem" [sic] what Donovan had proposed. The deed was done when Roosevelt wrote in a large hand on the cover sheet of Donovan's 10 June memorandum: "Please set this up *confidentially* with Ben Cohen—Military—not O.E.M." ⁷⁵

The "confidentially" presumably meant that Donovan would have access to the President's secret funds. "Military" meant that it was to be established by virtue of the President's authority as Commander-in-Chief and that Donovan would be commissioned a general. "Not O.E.M." kept it out of the Office of Emergency Management and thus ensured Donovan secrecy of operations.

Several weeks later Donovan wrote to his friend and new representative in London, William D. Whitney:

It is sufficient to say that I told the President that I did not want to do it and that I would do it only on three conditions:

1. That I would report only to him.
2. That his secret funds would be available.
3. That all the departments of the government would be instructed to give me what I wanted.⁷⁶

"Our Man is In"

When Donovan left the White House, with much hard work ahead of him, he had little time to think of the impatient Morgenthau, but the chief of British intelligence could not have been far from his thoughts.

⁷⁴ The 13 June conversation is in *Morgenthau Diary*, Book 408, p. 4; the note to Mrs. Klotz is in Book 413, p. 14; and the conversation with Donovan is in Book 409, pp. 151-52.

⁷⁵ The appointment appears in the *Composite Presidential Diary*. The "in totem" is from a transcribed telephone conversation with Morgenthau, from his *Diary*, Book 411, pp. 67-71. For FDR's note, see n. 63, p. 105, *supra*.

⁷⁶ Letter from Donovan to Whitney, 19 August 1941, *OSS Records*, Job No. 62-271, Box 29, Folder 8.

At 4 P.M. Morgenthau finally got hold of Donovan's secretary, a Mr. Mahar, who told the Treasury Secretary: "Well, I guess he must have forgot about it today while he was here . . . He must have forgot about it because I was with him all the time and almost till the time he got on the plane." Morgenthau, wanting "a yes or no," asked Mahar to have Donovan call him that night. A day later "Donovan telephoned Mrs. Klotz evening of 6/18/41 and said he could not take the position."⁷⁷

In the meantime Donovan must have been closeted with Stephenson. On that very day, the latter proudly cabled London:

Donovan saw President to-day and after long discussion wherein all points were agreed, he accepted appointment. He will be co-ordinator of all forms [of] intelligence including offensive operations equivalent S02 [probably SOE]. He will hold rank of Major General and will be responsible only to the President. Donovan accuses me of having "intrigued and driven" him into appointment. You can imagine how relieved I am after three months of battle and jockeying for position in Washington that our man is in a position of such importance to our efforts.⁷⁸

Lest the skeptic question the authenticity of this telegram, one must state that *The Quiet Canadian* is the only unclassified source in which any mention of the 18 June meeting has ever been found. In classified documents it showed up only in the working papers of the Bureau of the Budget as it went about drafting the formal notice which was issued on 11 July 1941. Finally, as of 18 June Colonel Donovan was to become Major General Donovan, but the unhappy military managed to spike the promotion.

The citation accompanying the award to Stephenson of the Medal for Merit reads in part:

Sir William, as Director of British Security Coordination . . . gave timely and invaluable aid to the American war effort . . . in the field of intelligence and special operations. *At every step in the creation of these instrumentalities* Sir William contributed assistance and counsel of great value both to the government of the United States and to the entire allied cause. In a duty of great responsibility he worked tirelessly and effectively to advance the efficiency and competence of American organizations which provided for the American Government . . . the same strategic services furnished to the British Government by British organizations of similar nature. (Italics mine.)⁷⁹

"At every step" can be taken literally.

⁷⁷ *Morgenthau Diary*, Book 413, p. 14.

⁷⁸ Letter from SIS to the Author, 22 May 1968, No. YP/81/1 (c/WH). QC, p. 153.

⁷⁹ The medal was awarded to Stephenson by Donovan, for President Truman, on 30 November 1946. The text of the citation and a photograph of the award ceremony appeared in the *New York Times*, 1 December 1946, p. 54, col. 3.

Chapter IX

A POSTSCRIPT

The deed was done when Roosevelt scribbled his instructions to the Bureau of the Budget.

Three weeks later, on 11 July, the Coordinator of Information was officially established. A year later on 13 June, COI was reconstituted as the Office of Strategic Services, a supporting agency of the Joint Chiefs of Staff. On 1 October 1945 OSS was abolished, but some branches, salvaged by the State and War departments, provided the foundation in 1946 for the Central Intelligence Group which gave way in 1947 to the present Central Intelligence Agency. All this, however, is another and much longer story.

This paper has simply been concerned with the role of the British in the events that led to that meeting on 18 June 1941 at the White House. Credit has always been given the British for their assistance in the *organization* and *operation* of COI and OSS. This paper has extended that credit for assistance to the *conception* and *establishment* of COI. Stephenson has, in fact, spoken of BSC as "the parent" of COI.¹

That the British were happy in 1941 with their offspring is unblushingly evident in this extraordinary assessment written by Desmond Morton:

Another most secret fact of which the Prime Minister is aware but not the other persons concerned, [sic] is that to all intents and purposes U.S. Security is being run for them at the President's request by the British. A British officer sits in Washington with Mr. Edgar Hoover and General [sic] Bill Donovan for this purpose and reports regularly to the President. It is of course essential that this fact should not be known in view of the furious uproar it would cause if known to the Isolationists.²

This paper has also been "an essay on origins." These, even when pushed hard, are most always elusive. Few passages so aptly exemplify the misconceptions that can arise—even among the informed—on the ultimate *Why* of things as does this comment, also from Morton:

In point of fact . . . I am assured by those concerned that the setting up of O.C.I. [Office of the Coordinator of Information] was almost entirely in the nature of camouflage for American secret activities.³

¹ "Early Days . . ." p. 12.

² Memorandum from Morton to Col. E. I. Jacob, 18 September 1941, *Churchill Papers*, Box 145, Folder 463, Item 2. This comment was brought on by Admiral Stark's wish "to take over the Security System in the West Indies . . ." The answer, in short, was his cooperation in maintaining physical security was welcome but control of the "internal domestic security of our Colonies" was out of the question.

³ Letter from Morton to Sir David Scott, 1 April 1942, *F.O. Papers*, A 3874/2487/45 (1942). Morton had been asked to comment on a British paper, "U.S. Information Services," written by George F. Todd, 7 December 1941.

What Morton failed to appreciate was that he was referring simply to the *British motive* in bringing COI into being. That was, at best, only half the story. The other half was the *American motive* in setting up an organization which was not just a "cover" but was truly, as events were to show, a viable mechanism for the coordination of strategic intelligence.

Another way of putting the same thing is to stress that this paper has been the story of the fruitful but equal collaboration, in the institutionalization of a complex idea, of Stephenson and Donovan, "The Two Bills."

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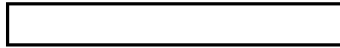
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