William J. Donovan and the National Security

APPROVED FOR RELEASE CIA HISTORICAL REVIEW PROGRAM 22 SEPT 93

Adaptation from an address delivered in tribute to the father of central intelligence.

Allen W. Dulles

It was my privilege to be associated with William J. Donovan both as a lawyer between the wars and then during World War II, when I served under his command in the Office of Strategic Services. His courage and leadership made a profound impression on me. I should like to convey to you something of that impression, and some idea of what his pioneering has meant to all of us.

His interest in our national defense and security started early. In 1912, as the war clouds gathered in the Balkans, he helped organize Troop I of the New York National Guard. In 1915 he went to Poland as a member of a Rockefeller commission charged with relieving the great shortage of food there, and particularly of milk for the children. When the National Guard was mobilized in 1916, he came home to join his Troop I on the Mexican border.

War Service

Then came his fabulous career in World War I with the 165th Infantry of the 42nd Division--the renowned "Fighting 69th" of the Rainbow Division. Here he got his nickname Wild Bill. The legend goes that after the regiment landed in France he ran them five miles with full packs to limber them up. As the men were grumbling with exhaustion, Donovan pointed out that he was ten years older and carrying the same 50-pound pack. One of the men replied, "But we ain't as Wild as you, Bill!" Another story has it that the honorary title was transferred to him from a professional baseball pitcher of the same name whose control left something to be desired. Whatever its origin, the title stuck.

The citations Colonel Donovan received in France tell the military story: On July 28, 1918, a Distinguished Service Cross: "He was in advance of the division for four days, all the while under shell and machine gun fire from the enemy, who were on three sides of him, and he was repeatedly and persistently counterattacked, being wounded twice." Three days later the Distinguished Service Medal: "He displayed conspicuous energy and most efficient leadership in the advance of his battalion across the Ourcq River and the capture of strong enemy positions.... His devotion to duty, heroism, and pronounced qualities of a Commander enabled him to successfully accomplish all missions assigned to him in this important operation."

And then, for action in combat in the Meuse-Argonne on October 14, the highest of all awards, the Congressional Medal of Honor: ". . . Colonel Donovan personally led the assaulting wave in an attack upon a very strongly organized position, and when our troops were suffering heavy casualties he encouraged all near him by his example, moving among his men in exposed positions, reorganizing decimated platoons and accompanying them forward in attacks. When he was wounded in the leg by a machine gun bullet, he refused to be evacuated and continued with his unit until it withdrew to a less exposed position." "No man ever deserved it more," said General Douglas MacArthur, who had seen this action.

Three aids were killed at Donovan's side in the course of these actions. Reverend Francis P. Duffy, the chaplain of the 69th, said, "His men would have cheerfully gone to hell with him, and as a priest, I mean what I say." Several years ago General Frank McCoy, describing his close association with Bill Donovan during World War I, said he was one of the

finest soldiers he ever saw in his life-long service in the Army, that he had the qualities of the ideal soldier, judgment and courage and the respect and affection of his men.

Law Career

In 1922 Donovan was appointed U.S. Attorney in Buffalo, N.Y., and shortly thereafter he entered a new phase of his career. In 1924 President Coolidge reorganized the Department of Justice and called Bill to Washington to be assistant to the Attorney General, heading the Antitrust Division. Here he showed both his fearlessness in law enforcement and his intense interest in making law a practical vehicle to promote the economic welfare.

He was firmly convinced that individual freedom is vitally linked to our system of free enterprise. He attacked restraints and monopoly with effective enthusiasm. In the Trenton Potteries case he won Supreme Court agreement that price fixing among dominant competitors is of itself illegal. He brought under legal attack such diverse industries as oil, sugar, harvesting machinery, motion pictures, water transportation, and labor unions. Yet he recognized that the uncertainties of our antitrust laws pose serious business problems, and accordingly instituted the practice of giving advance opinion on the legality of proposed mergers and other business activities that might be questioned under the law.

Offered the Governor Generalship of the Philippines when President Hoover entered the White House in 1929, Bill turned it down and went into law practice in New York City. He was soon appointed counsel to several of the New York bar associations in connection with a general overhauling of the bankruptcy laws. During this period he also served as counsel to a committee for review of the laws governing the State's Public Service Commission. In 1932 he unsuccessfully ran for Governor of the State.

As a corporation attorney he won in 1935 the important Humphrey case, in which the U.S. Supreme Court held that the President could not arbitrarily remove a chairman of the Federal Trade Commission. He also won an important decision in the Appalachian coal case, upholding the right of coal producers to organize a joint selling agency in economic

self-defense. This agency is still in existence.

During this period of corporate law practice, Bill never lost his interest in world affairs. He took time off to visit Ethiopia during the 1935 Italian invasion. He was in Spain during its Civil War, carefully observing the Axis efforts to test their new equipment in these foreign adventures.

Presidential Emissary

In the early days of World War II Donovan was called into action by President Roosevelt. In 1940 he was sent on a fact-finding mission to England and in 1941 to the Balkans and the Middle East. Anthony Eden told Washington that the Balkan mission had been most helpful to the British assessment of the situation there.

From the first trip, the one to Britain not long after Dunkirk, Bill had brought back to Washington a very important report. You will recall there was skepticism at that time in some quarters as to whether the British could effectively carry out Churchill's thrilling promise, "We shall defend our island; whatever the cost may be, we shall fight on the beaches, we shall fight on the landing-grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender." Donovan reported to Roosevelt that the British could and would do just that. This had a direct effect on American policy. He also warned Harry Hopkins that the Germans might strike toward Suez through French North Africa-a prophecy that soon became a reality.

Donovan also recommended to the President that the United States start preparing immediately for a global war. He particularly stressed the need of a service to wage unorthodox warfare and to gather information through every means available. He discussed this idea at length with his close friends in the Cabinet, Secretaries Knox and Stimson, and with Attorney General Jackson.

The seeds which Bill planted bore fruit. In July 1941 the President established the Office of the Coordinator of Information and called Donovan to Washington to head it. In original concept this Office was to combine the information and intelligence programs with psychological and guerrilla warfare. This proved to be too big a package for one basket

and in 1942 the organization was split. That portion of it coordinating wartime information services became the Office of War Information, and the intelligence and unorthodox warfare work, where Bill's greatest interest lay, was put under an Office of Strategic Services.

The O.S.S.

Truly one of the remarkable accomplishments in World War II was the organization and activity of the O.S.S.--feats which would never have been achieved without Bill Donovan's leadership and his vast interest in the unorthodox, the novel and the dangerous. Starting from scratch in 1941, he built an organization of about 25,000 people that made a real contribution to the victory. Many of the deeds of O.S.S. will have to remain secret, but with the passage of time many have been disclosed.

Bill conceived the O.S.S. as a world-wide intelligence organization that could collect the facts necessary to develop our policy and war strategy. He was convinced that Axis secrets were to be found not only in Berlin, Rome, and Tokyo, but in other capitals and outposts around the world. So he immediately set about dispatching officers to key spots in Europe, Asia, and later Africa. The pay-off justified the effort. He was able to obtain information of great value from carefully established agents with contacts in Berlin, in the German High Command, and in the Abwehr, the German military intelligence service. The work of these agents gave us advance information about the development of German jet aircraft, about German work with heavy water in the effort to develop a nuclear weapon, about the V-1's and V-2's, and about the plot against Hitler.

In addition to his organization for the collection of strategic intelligence, Donovan provided means to help gather tactical information in the combat areas, forming teams of parachutists—Americans as well as indigenous—to drop behind enemy lines. But not content with passive intelligence, he also wanted action. He knew that well-organized guerrillas operating behind enemy lines in areas where the local population was friendly could wreak havoc on enemy lines of communication and tie down troops that could otherwise be used in combat. Working with our allies, he built up teams of leaders and communicators to organize resistance in the countries occupied by the

Nazis, Fascists, and Japanese. There were also air drops of supplies and equipment deep behind the Axis lines in France and Italy, in Burma and elsewhere.

These action teams were well supported by a headquarters technical group, which under Donovan's guiding hand was imaginatively developing new ways to sabotage the enemy war effort and new gadgets either to harass the enemy or help our own cause—equipment ranging from the most sophisticated communications systems to a repellent used by personnel forced to bail out in shark-infested waters. Not all of the products were so practical as these. Ambassador David Bruce, one of Bill Donovan's closest associates, in a recent tribute to the General's qualities of leadership, vividly described his excitement over ideas. Ambassador Bruce wrote, and I subscribe to every word of it:

His imagination was unlimited. Ideas were his plaything. Excitement made him snort like a race horse. Woe to the officer who turned down a project, because, on its face, it seemed ridiculous, or at least unusual. For painful weeks under his command I tested the possibility of using bats taken from concentrations in Western caves to destroy Tokyo [with delayed action incendiary bombs]. The General, backed by the intrigued President Roosevelt, was only dissuaded from further experiments in this field when it appeared probable that the cave bats would not survive a trans-Pacific flight at high altitudes.

Many ingenious ideas to work on the nerves of the enemy were born in another part of the O.S.S.--the Morale Operations Branch. This was the undercover psychological warfare branch of the war effort. While the Office of War Information was telling the enemy about the magnitude of the U.S. war effort and getting the facts and figures well circulated, this Branch was dedicated to confusing the enemy and breaking their will to resist.

General Donovan was convinced that there were great untapped reservoirs of information in this country about foreign areas which had become of vital interest in the war effort—data in the archives of business organizations, information acquired abroad by American scientists, academicians, and tourists, and also that held by foreign experts residing here. He set about to collect this information and data and a mass of photographs of foreign areas. As the war reached more and more areas of the globe, this information came to have great importance.

He also realized the importance of analyzing and presenting information to the policy makers in readily usable form--one of the most difficult tasks of intelligence. He established in the O.S.S. a major branch for research and analysis, assembling in Washington the best academic and analytic brains he could beg, borrow, or steal from the universities, laboratories, libraries, museums, the business world, and other agencies of government. Theirs was the task of probing the political and economic aspects of the war, assessing both our allies and our enemies, both neutrals and the occupied lands. Theirs also was the task of estimating Axis vulnerability and war potential and the staying power of the Russians, who even then told us almost nothing about themselves.

Bill Donovan had the qualities a great intelligence officer must have. He took nothing for granted and at the same time was insatiably curious. He had a good nose for the news: a faint whiff of something unusual would speed his mind into a dozen possible explanations, generally as ingenious as the wiles of the enemy. He wanted to see things on the spot and judge for himself. He was constantly on the move and drove his staff wild trying to keep him from places they thought too exposed. He also put them into a state of near exhaustion trying to keep up with the pace he set himself. One of his great qualities was his dedication to the men who served under him, and his ever-readiness to give them his full support. He, in turn, had their complete loyalty, respect and affection. I vividly recall a personal instance.

For about two years, from November 1942 to September 1944, I was working for Donovan in Switzerland, then entirely encircled by the Nazi-Fascist forces. In September 1944 the American Seventh Army, coming up from Southern France, broke through to the Swiss border near Geneva. Under orders to return to Washington to report, I had joined a group of the French underground in a secret hideout in the Rhone Valley between Geneva and Lyon to await a clandestine flight to take me to London. As far as I knew, General Donovan was in Washington and had not the slightest idea where I was hidden. After weather had held up my plane for several days, there was a knock on the door of my hideout in the middle of the night. It was one of General Donovan's aides, telling me that the General was waiting for me at the nearest available airstrip south of Lyon, which had just been evacuated by the Nazis. He had been searching the area for some twenty-four hours before he discovered where I was.

Together we flew back to London, arriving, I well remember, on that day

in September 1944 when the Germans launched the first of their ballistic missiles on the British capital. It descended near the center of London after a flight of nearly two hundred miles. Both the American and the British intelligence services had been closely following the development of this missile. I have often wondered why, in this country, our technicians and strategists failed to see earlier the full implications of the success of the V-2, as I believe the Soviet did, and to realize much earlier in the game that the combination of the ballistic missile with the atomic bomb, which was then about to be unveiled, could change the nature of war and the security position of this country.

Few men of his time were more alert than Donovan to the new threats that might develop. In late 1944, sending a man to Cairo to take over the direction of activities at that post, he gave oral instructions to the effect that the main target for intelligence operations should now be what the Soviets were doing in the Balkans rather than German activities in the Middle East. The German threat was receding. The Soviet danger was already looming. Operations were to be adjusted accordingly, although such instructions could not be put into official writing.

Also, while the war was still in progress, General Donovan was looking forward to the peace. He foresaw the need for a permanent organization not only to collect intelligence but, perhaps even more important, to coordinate the whole government intelligence effort and see that the President and policy makers get comprehensive and consolidated analyses to guide their decisions as to our course of action.

The Father of Central Intelligence

In the fall of 1944 Donovan presented to the President a paper proposing an intelligence organization operating on a world-wide scale and having direct responsibility to the President. While it was not to take upon itself the responsibilities of the departmental intelligence services, it would act as a coordinating mechanism for all intelligence. The paper stressed that the proposed organization would have no police or subpoena powers and would not operate in the United States. President Roosevelt expressed considerable interest in this proposal, and a week before his death in April 1945 asked Donovan to poll the Cabinet and the heads of

agencies concerned for comment on it. These comments, ranging from the opinion that there was no need for such a peacetime organization to the belief that it was vital to national security, make interesting reading today.

18 November 1944

MEMORANDUM FOR THE PRESIDENT

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

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

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

This will require two things:

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

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

other agencies.

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

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

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

Though in the midst of war, we are also in a period of transition which, before we are aware, will take us into the tumult of rehabilitation. An adequate and orderly intelligence system will contribute to informed decisions.

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

William J. Donovan Director

THE WHITE HOUSE WASHINGTON

April 5, 1945

TO: MAJOR GENERAL DONOVAN

Apropos of your memorandum of November 8, 1944, relative to the establishment of a central intelligence service, I should appreciate your

calling together the chiefs of the foreign intelligence and internal security units in the various executive agencies, so that a consensus of opinion can be secured.

It appears to me that all of the ten executive departments, as well as the Foreign Economic Administration, and the Federal Communications Commission have a direct interest in the proposed venture. They should all be asked to contribute their suggestions to the proposed centralized intelligence service.

(Refer to Hard Copy for Image of Original Letter)

Donovan received an Oak Leaf Cluster to his Distinguished Service Medal for his wartime work, but his plan to develop the O.S.S. into a peacetime intelligence organization was beset with conflicting views. Some would have the new organization, like the O.S.S., report to the Joint Chiefs of Staff, while others preferred that it be put under the Department of State. And there was controversy as to whether one individual could or should be responsible for presenting a consolidated view of the intelligence picture to the policy makers, rather than leave this the collective responsibility of the chiefs of all the intelligence services. No agreement had been reached by the time the war ended in August 1945, and the O.S.S. was soon ordered disbanded.

A proposal for a central intelligence organization such as Donovan had conceived was contained in the first draft of the so-called unification act submitted by Ferdinand Eberstadt to Secretary Forrestal in October 1945. And in January 1946, to preserve assets while the issue was being settled, President Truman issued the order creating the Central Intelligence Group, which later picked up some of the functions and personnel still remaining from the O.S.S. and other scattered independent intelligence activities.

Bill Donovan's dream was not yet completely realized. Congress still had to act. After extensive hearings to which General Donovan contributed important testimony, the provisions for a Central Intelligence Agency were incorporated into the National Security Act of 1947, which created a Department of Defense and set up the National Security Council to advise the President and oversee the new intelligence agency. In July

1947 final executive and legislative endorsement was thus given to the views which Donovan had been striving to have accepted. I have always felt that the decision to place the C.I.A. under the President, as Donovan recommended, was wise and necessary.

Bill Donovan's restless energy had turned elsewhere with the disbanding of O.S.S., although he never gave up his interest in the organization or stopped hammering home to the public the necessity for providing adequate and accurate information to the policy makers of the government in order to protect the national security. His varied talents were being called on for other important services. His legal ability and vast knowledge of German wartime activities were used to help prepare the Nuremburg trials for the Nazi war criminals. He went to Greece to investigate the murder of newsman George Polk, a clear effort of the Communists to prevent the truth about the extent of their activities in the Greek civil war from seeping out.

The more General Donovan saw of the Soviets in action the more concerned he was with alerting the American people to the dangers. He co-authored an article in the Yale Law Journal for July 1949 presenting a "Program for a Democratic Counter Attack to Communist Penetration of Government Service." The article said:

The Communist Fifth Column ... seeks to identify itself with every social grievance. Russian espionage and subversive operations are made up of trained and skilled spy technicians and intelligence officers, propaganda specialists, experts in spreading rumors. Instruction is planned so that the agent will find it as easy for a minority to operate a labor union, or a pacifist league, or any other such movement, as it is for a minority group to control a large corporation when most of the stockholders take no active interest in the management.

In 1950 President Eisenhower, then President of Columbia University, presided on the occasion of the award to Bill Donovan of the Alexander Hamilton Medal, given by the Columbia Alumni Association for distinguished service and accomplishment in any of the great fields of human endeavor. In 1953 the President named him Ambassador to Thailand. At this time the ancient kingdom of Siam was a main target for Communist. subversion. With a vigor that belied his years, this

remarkable man of 70 threw himself into the job of helping the Thais bolster their defenses against the Communists so that this keystone of anti-Communism in Southeast Asia could continue free.

Upon his return to the United States one might have expected him to seek retirement, but nothing was further from his mind. He became National Chairman of the International Refugee Committee and the director of that group's fight against the Soviet program to induce Russians who escaped from Communism to return home. At the time of the Hungarian Revolution he turned his energies to aiding the refugees of this unsuccessful effort to win freedom from Soviet tyranny.

He was Chairman of the American Committee on United Europe from its inception in 1949, and through this organization he continued to further the efforts of our major allies in Western Europe to achieve a greater unity in the face of Communist danger.

Even after ill health forced his retirement to Walter Reed Hospital, General Donovan continued his interest in the fight against Communism and the development of our intelligence work. In recognition of his role in the intelligence field, President Eisenhower in 1957 awarded him the National Security Medal. The citation reads:

Through his foresight, wisdom, and experience, he foresaw, during the course of World War II, the problems which would face the postwar world and the urgent need for a permanent, centralized intelligence function. Thus his wartime work contributed to the establishment of the Central Intelligence Agency and a coordinated national intelligence structure.

In February 1959 he passed away at Walter Reed among the men he had led. As soldier, public prosecutor, leader of the bar, director of the Strategic Services in wartime, public servant in time of peace, he had left his record with the nation he served so well. He was a rare combination of physical courage, intellectual ability, and political acumen. He was a mild-mannered man, with an insatiable curiosity, an unflagging imagination, and the energy to turn his ideas into action.

The heritage of Bill Donovan is written in the national security. He woke the American people to the need of a permanent peacetime intelligence service. He bestirred Washington into creating a mechanism whereby all the government components which receive information on what is going on anywhere in the world pool their knowledge, share their interpretations, and work together to make one unified estimate of what it means. He helped place intelligence in its proper perspective and stimulated the policy makers to recognize its role in determining American policy abroad. He was one of the architects of an organization that should keep our government the best informed of any in the world.

History's epitaph for William J. Donovan will be:

He made his nation more secure.

Posted: May 08, 2007 07:21 AM