

The Office of Reports and Estimates: CIA's First Center for Analysis

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Editor's note: This article is offered as a contribution to reflections on CIA's history 75 years since its creation in September 1947, which had been directed by the National Security Act of 26 July 1947. CIA's community functions defined in that act and its analytical organizations have evolved substantially since then, but the core missions of intelligence analysis have remained, notwithstanding changes over the years. The article is an adaptation of the preface to a declassified document collection Dr. Kuhns edited in 1997, *Assessing the Soviet Threat: The Early Cold War Years* (available at <https://cia.gov/resources/csi/books-monographs/assessing-the-soviet-threat/>). The intelligence documents cited in this essay can all be found there.



During World War II, the United States made one of its few original contributions to the craft of intelligence: the invention of multisource, nondepartmental analysis. The Research and Analysis (R&A) Branch of the Office of Strategic Services (OSS) assembled a talented cadre of analysts and experts to comb through publications and intelligence reports for clues to the capabilities and intentions of the Axis powers. R&A's contributions to the war effort impressed even the harshest critics of the soon-to-be dismantled OSS. President Truman paid implicit tribute to R&A in late 1945, when he directed that it be transplanted into the State Department at a time when most of OSS was being demobilized. The transplant failed, however, and the independent analytical capability

patiently constructed during the war had all but vanished when Truman moved to reorganize the nation's peacetime intelligence establishment at the beginning of 1946.

“Current” Intelligence Versus “National” Intelligence

The Central Reports Staff, home to the analysts in the Central Intelligence Group (CIG), was born under a cloud of confusion in January 1946.^a Specifically, no consensus existed on what its mission was to be, although the president's concerns in creating CIG were clear enough. In the uncertain aftermath of the war, he wanted to be sure that all relevant information available to the US government on any given issue of national security would be correlated

and evaluated centrally so that the country would never again have to suffer a devastating surprise attack as it had at Pearl Harbor.^{b, 1}

How this was to be accomplished, however, was less clear. The president himself wanted a daily summary that would relieve him of the chore of reading the mounds of cables, reports, and other papers that constantly cascaded onto his desk. Some of these were important, but many were duplicative and even contradictory.² In the jargon of intelligence analysis, Truman wanted CIG to produce a “current intelligence” daily publication that would contain all information of immediate interest to him.^{c, 3}

Truman's aides and advisers, however, either did not understand this or disagreed with him, for the

a. The name of the Central Reports Staff was changed in July 1946 to the Office of Research and Evaluations, and again in October 1946 to the Office of Reports and Estimates (ORE), by which name it was known until it was abolished in November 1950. CIA veterans typically use “ORE” as the shorthand name for the analytical office for the whole period 1946–50.

b. Truman wrote in his memoir that he had “often thought that if there had been something like coordination of information in the government it would have been more difficult, if not impossible, for the Japanese to succeed in the sneak attack at Pearl Harbor.”

c. Current intelligence was defined in National Security Council Directive No. 3, “Coordination of Intelligence Production,” 13 January 1948, as “that spot information or intelligence of all types and forms of immediate interest and value to operating or policy staffs, which is used by them usually without the delays incident to complete evaluation or interpretation.”

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presidential directive of 22 January 1946 authorizing the creation of CIG did not mention current intelligence. The directive ordered CIG to “accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the government of the resulting strategic and national policy intelligence.”⁴ Moreover, at the first meeting of the National Intelligence Authority (NIA) on 5 February, Secretary of State Byrnes objected to the president’s idea of a current intelligence summary from CIG, claiming that it was his responsibility as secretary of state to furnish the president with information on foreign affairs.^{a, 5}

Byrnes apparently then went to Truman and asked him to reconsider. Admiral Sidney Souers, the first director of central intelligence (DCI), told a CIA historian that Byrnes’ argument

ran along the line that such information was not intelligence within the jurisdiction of the Central Intelligence Group and the Director [of Central Intelligence]. President Truman conceded that it might not be generally considered intelligence, but it was information which he needed and therefore

it was intelligence to him. The result was agreement that the daily summaries should be “actual statements.” The Department of State prepared its own digest, and so the president had two summaries on his desk.⁶

This uneasy compromise was reflected in NIA directives that outlined CIG’s duties. Directive No. 1, issued on 8 February 1946, ordered CIG to “furnish strategic and national policy intelligence to the President and the State, War, and Navy Departments.”^{b, 7} NIA Directive No. 2, issued the same day, ordered the DCI to give “first priority” to the “production of daily summaries containing factual statements of the significant developments in the field of intelligence and operations related to the national security and to foreign events for the use of the President.”^{c, 8}

In practice, this approach proved unworkable. Without any commentary to place a report in context, or to make a judgment on its likely veracity, the early *Daily Summaries* probably did little but confuse the president. An alarming report one day on Soviet troop movements in Eastern Europe, for example, would be contradicted the next day by a report from another source.

Everyone involved eventually realized the folly of this situation, and analytical commentaries began to appear in the *Daily Summaries* in December 1946—episodically at first, and then regularly during 1947. The *Weekly Summary*, first published in June 1946 on the initiative of the Central Reports Staff itself, was also supposed to avoid interpretative commentary, but its format made such a stricture difficult to enforce. From its inception, the *Weekly Summary* proved to be more analytical than its *Daily Summary* counterpart.

The Confusion Surrounding “National” Intelligence

Similar disarray surrounded CIG’s responsibilities in the production of “strategic and national policy intelligence.” The members of the Intelligence Community simply could not agree on the policies and procedures that governed the production of this type of intelligence. Most of those involved seemed to believe that national intelligence should be coordinated among all members of the Intelligence Community, that it should be based on all available information, that it should try to estimate the intentions and capabilities of other countries toward the United

a. The National Intelligence Authority was composed of the Secretaries of State, War, and Navy and a representative of the President, Flt. Adm. William Leahy.

b. After CIA was established, National Security Council Intelligence Directive No. 1, “Duties and Responsibilities,” issued on 12 December 1947, again ordered the DCI to produce national intelligence, which the Directive stated should be “officially concurred in by the Intelligence Agencies or shall carry an agreed statement of substantial dissent.” National Security Council Intelligence Directive No. 3, 13 January 1948, gave CIA the authority to produce current intelligence: “The CIA and the several agencies shall produce and disseminate such current intelligence as may be necessary to meet their own internal requirements or external responsibilities.” See *Emergence of the Intelligence Establishment*, 1,119–22; 1,109–12.

c. Interestingly, Souers, who drafted both NIA Directive 1 and Directive 2, continued to believe that CIG’s principal responsibility was the production of strategic and national policy intelligence. In a memorandum to the NIA on 7 June 1946, Souers wrote that the “primary function of C.I.G. in the production of intelligence ... will be the preparation and dissemination of definitive estimates of the capabilities and intentions of foreign countries as they affect the national security of the United States.” “Memorandum From the Director of Central Intelligence to the National Intelligence Authority,” 7 June 1946, in *Emergence of the Intelligence Establishment*, 361.

States, and that it should be of value to the highest policymaking bodies.

The devil was in the details. High-ranking members of the intelligence and policy communities debated, without coming to a consensus, most aspects of the estimate production process, including who should write them, how other agencies should participate in the process if at all, and how dissents should be handled. Some of this reflected genuine disagreement over the best way to organize and run the Intelligence Community, but it also involved concerns about bureaucratic power and prerogatives, especially those of the director of central intelligence, the newcomer to the Intelligence Community. Even the definition of “strategic and national intelligence” had implications for the authority of the DCI and thus was carefully argued over by others in the community.^{a,9}

DCI Vandenberg eventually got the NIA to agree to a definition in February 1947, but it was so general that it did little to solve the problems that abounded at the working level.^b After the establishment of CIA, National Security Council Directive No. 3, 13 January 1948, similarly defined national intelligence as “integrated departmental intelligence that covers the broad aspects of national policy and national security, is of concern to more than one Department

... and transcends the exclusive competence of a single department.”¹⁰

Ray Cline, a participant in the process of producing the early estimates, wrote in his memoir that

*It cannot honestly be said that it [ORE] coordinated either intelligence activities or intelligence judgments; these were guarded closely by Army, Navy, Air Force, State, and the FBI. When attempts were made to prepare agreed national estimates on the basis of intelligence available to all, the coordination process was interminable, dissents were the rule rather than the exception, and every policymaking official took his own agency's intelligence appreciations along to the White House to argue his case. The prewar chaos was largely recreated with only a little more lip service to central coordination.*¹¹

Another veteran of the period, R. Jack Smith, who edited the *Daily Summary*, made the same point in his memoir,

We were not fulfilling our primary task of combining Pentagon, State Department, and CIA judgments into national intelligence estimates.... To say it succinctly, CIA lacked clout. The military and diplomatic people

*ignored our statutory authority in these matters, and the CIA leadership lacked the power to compel compliance.*¹²

In practice, much of the intelligence produced by ORE was not coordinated with the other agencies; nor was it based on all information available to the US government. The *Daily* and *Weekly Summaries* were not coordinated products, and, like the other publications produced by ORE, they did not contain information derived from communications intelligence.^{c,13} The *Review of the World Situation*, which was distributed each month at meetings of the National Security Council, became a unilateral publication of ORE after the first two issues.¹⁴

The office's ad hoc publications, such as the *Special Evaluations* and *Intelligence Memorandums*, were rarely coordinated with other agencies. By contrast, the “ORE” series of *Special Estimates* were coordinated, but critics nonetheless condemned many of them for containing trivial subjects that fell outside the realm of “strategic and national policy intelligence.”¹⁵

Whatever CIG's written orders, in practice the president's interest in the *Daily Summaries*, coupled with the limited resources of the Central Reports Staff, meant that the production of current intelligence came

a. See Bianca Adair. "Sidney Souers and the Emergence of CIA's Covert Action Authority" in *Studies* 65, no. 2 (June 2021).

b. The NIA agreed that “strategic and national policy intelligence is that composite intelligence, interdepartmental in character, which is required by the President and other high officers and staffs to assist them in determining policies with respect to national planning and security.... It is in that political-economic-military area of concern to more than one agency, must be objective, and must transcend the exclusive competence of any one department.” “Minutes of the 9th Meeting of the National Intelligence Authority,” 12 February 1947, *Emergence of the Intelligence Establishment*, 492.

c. ORE began receiving signals intelligence in 1946 and was able to use it as a check against the articles it included in the *Summaries*. Security concerns prevented its broader use. Signals intelligence was sent to the White House by the Army Security Agency (from 1949 on, the Armed Forces Security Agency) during this period. CIA did not begin including communications intelligence in the successor to the *Daily* until 1951.

to dominate the staff and its culture. National estimative intelligence was reduced to also-ran status. An internal CIG memo stated frankly that “ORE Special Estimates are produced on specific subjects as the occasion arises and within the limits of ORE capabilities after current intelligence requirements are met.” It went on to note, “Many significant developments worthy of ORE Special Estimates have not been covered ... because of priority production of current intelligence, insufficient personnel, or inadequate information.”¹⁶ This remained true even after the Central Reports Staff evolved into the Office of Reports and Estimates (ORE) in CIA.¹⁷

If the analysts in CIG, and then CIA, had only to balance the competing demands of current and national intelligence, their performance might have benefited. As it happened, however, NIA Directive No. 5 soon gave the analysts the additional responsibility of performing “such research and analysis activities” as might “be more efficiently or effectively accomplished centrally.”¹⁸ In practice, this meant that the analysts became responsible for performing basic research as well as wide-ranging political and economic analysis. To accommodate this enhanced mission, functional analysis branches for economics, science,^a transportation, and map intelligence were established alongside the existing regional branches.

A high-ranking ORE officer of the period, Ludwell Montague, wrote that

*this was a deliberate, but covert, attempt to transform ORE (or CRS, a staff designed expressly for the production of coordinated national intelligence) into an omniscient ... central research agency. This attempt failed, leaving ORE neither the one thing nor the other. Since then, much ORE production has proceeded, not from any clear concept of mission, but from the mere existence of a nondescript contrivance for the production of nondescript intelligence. All our efforts to secure a clear definition of our mission have been in vain.*¹⁹

Another veteran of the period, George S. Jackson, agreed with Montague’s assessment: “It would not be correct ... to say that the Office ... had failed utterly to do what it was designed to do; a more accurate statement would be that it had done not only what was planned for it but much that was not planned and need not have been done. In consequence, the Office had unnecessarily dissipated its energies to the detriment of its main function.”²⁰ He noted that

Requests [for studies] came frequently from many sources, not all of them of equal importance, but there seemed not to be anyone in authority [in ORE] who would probe beneath any of them to make sure that

*they merited a reply. Nor was there anyone who took it upon himself to decline requests—no matter from what source—when they were clearly for a type of material not called for under the responsibilities of the Office of Reports and Estimates.*²¹

A Mixed Reception

NIA Directive No. 5 opened the door to proliferation of various kinds of publications^b and, consequently, to a dilution of analysts’ efforts in the fields of current and national intelligence. Perhaps as a consequence of the confusion over the analytical mission, these products received mixed reviews. The president was happy with his *Daily Summary*, and that fact alone made it sacrosanct. RAdm. James H. Foskett, the president’s naval aide, told ORE in 1947 that, “the President considers that he personally originated the *Daily*, that it is prepared in accordance with his own specifications, that it is well done, and that in its present form it satisfies his requirements.”²²

President Truman’s views on the *Weekly Summary* were less clear, but ORE construed lack of criticism as approval: “It appears that the *Weekly* in its present form is acceptable at the White House and is used to an undetermined extent without exciting comment indicative of a desire for any particular change.”²³

Other policymakers were less impressed with the current intelligence

a. The Scientific Intelligence Branch of ORE was established in January 1947 and shortly thereafter incorporated the Nuclear Energy Group, which had been in charge of atomic energy intelligence in the Manhattan Project, within its ranks. At the end of 1948, the branch was separated from ORE and elevated to office status, becoming the Office of Scientific Intelligence.

b. In addition to the publications mentioned above, ORE produced *Situation Reports* (exhaustive studies of individual countries and areas) and a variety of branch-level publications (daily summaries, weekly summaries, monthly summaries, branch “estimates,” and reports of various types).

publications. Secretary of State George Marshall stopped reading the *Daily Summary* after two weeks, and thereafter he had his aide flag only the most important items for him to read. The aide did this only two or three times a week, telling a CIG interviewer that “most of the information in the Dailies is taken from State Department sources and is furnished the Secretary through State Department channels.”²⁴ Marshall also stopped reading the *Weekly* after the first issue.²⁵ Secretary of the Navy James Forrestal considered both *Summaries* “valuable but not ... indispensable,” according to one of his advisers.²⁶ By contrast, an aide to Secretary of War Robert Patterson reported that the secretary read both the *Daily* and *Weekly Summaries* “avidly and regularly.”²⁷

The analytical office’s work came in for the most severe criticism in the so-called Dulles-Jackson-Correa Report of January 1949, which assessed both the performance of CIA and its role in the Intelligence Community.²⁸ This report, commissioned by the National Security Council in early 1948, was prepared by a trio of prominent intelligence veterans who had left government service after the war: Allen Dulles, William Jackson, and Mathias Correa.

Their report candidly admitted that “There is confusion as to the proper role of the Central Intelligence Agency in the preparation of intelligence reports and estimates” and that “The principle of the authoritative

national intelligence estimate does not yet have established acceptance in the government.”²⁹ They nevertheless took ORE to task for failing to perform better in the production of national intelligence, noting that, although ORE had been given responsibility for production of national estimates, “It has ... been concerned with a wide variety of activities and with the production of miscellaneous reports and summaries which by no stretch of the imagination could be considered national estimates.”³⁰

The trio found unacceptable ORE’s practice of drafting the estimates “on the basis of its own research and analysis” and then circulating them among the other intelligence agencies to obtain notes of dissent or concurrence.³¹ “Under this procedure, none of the agencies regards itself as a full participant contributing to a truly national estimate and accepting a share in the responsibility for it.”³² They recommended that a “small group of specialists” be used “in lieu of the present Office of Reports and Estimates” to “review the intelligence products of other intelligence agencies and of the Central Intelligence Agency” and to “prepare drafts of national intelligence estimates for consideration by the Intelligence Advisory Committee.”³³

The three also were not impressed with ORE’s efforts in current intelligence: “Approximately ninety percent of the contents of the Daily Summary is derived from State Department sources.... There are occasional comments by the Central

Intelligence Agency on portions of the Summary, but these, for the most part, appear gratuitous and lend little weight to the material itself.”³⁴ They concluded, “As both Summaries consume an inordinate amount of time and effort and appear to be outside of the domain of the Central Intelligence Agency, we believe that the Daily, and possibly the Weekly Summary should be discontinued in their present form.”³⁵

The trio concluded disapprovingly that “the Central Intelligence Agency has tended to become just one more intelligence agency producing intelligence in competition with older established agencies of the government departments.”³⁶

The Analysts

The Dulles-Jackson-Correa Report was extremely, perhaps unfairly, critical of ORE’s production record. Intelligence analysis is not an easy job in the best of times—the available information on any given analytical problem is invariably incomplete or contradictory or flawed in some other important way—and these clearly were not the best of times. Signals intelligence, which had proved devastatingly effective against the Axis powers in the war, was less effective against the security-conscious Soviets, and, as noted above, in any event could not yet be cited directly in CIA publications, even in those sent to the president.^{a, 37}

The sophisticated aircraft and satellites that would one day open

a. From unsecured Soviet communications, signals intelligence provided reliable information on such things as foreign trade, consumer goods policies, gold production, petroleum shipments, shipbuilding, aircraft production, and civil defense. A weekly all-source publication that did contain COMINT, the Situation Summary, was created in July 1950 and sent to the White House. The Situation Summary’s purpose was to warn, in the wake of the North Korean invasion of South Korea, of other potential acts of aggression by Communist forces.

the whole interior of the USSR to surveillance were not yet on the drawing board, and the intelligence collection arm of the new CIA was finding it impossibly difficult to penetrate Stalin's paranoid police state with agents. In the end, the analysts had little to rely on but diplomatic and military attaché reporting, media accounts, and their own judgment.

The paucity of hard intelligence about the Soviet Union placed a premium on the recruitment of top-notch analysts. Unfortunately, CIG and CIA had trouble landing the best and the brightest. CIG was in a particularly difficult situation; it had little authority to hire its own staff employees and thus depended on the Departments of State, War, and Navy for both its funding and personnel. Ludwell Montague complained to DCI Vandenberg in September 1946 that these departments were not cooperating: "From the beginning the crucial problem ... has been the procurement of key personnel qualified by aptitude and experience to anticipate intelligence needs, to exercise critical judgment regarding the material at hand, and to discern emergent trends. Such persons are rare indeed and hard to come by, [and] the recruitment of them is necessarily slow."³⁸ Montague was particularly bitter about Army intelligence's (G-2) efforts to fob off on CIG what he termed "low-grade personnel."³⁹

When the Central Reports Staff began operations, it consisted of 17 people—five assigned to it by State, eight by War, and four by Navy—all of whom immediately became preoccupied with preparing the *Daily Summaries* for President Truman, the first of which they published on 15 February 1946. The Staff

published its first piece of national intelligence, ORE 1, "Soviet Foreign and Military Policy," at the end of July. See Document 4.

The establishment of CIA in September 1947 ended the Office's dependence on other departments for personnel and funds. It permitted the rapid expansion of ORE from 60 employees in June 1946 to 709 staff employees by the end of 1950, 332 of whom were either analysts or managers of analysts.⁴⁰ Although this solved the quantity problem, quality remained an issue.

Hanson W. Baldwin of *The New York Times* in 1948 noted that "personnel weaknesses undoubtedly are the clue to the history of frustration and disappointment, of friction and fiasco, which have been, too largely, the story of our intelligence services since the war. Present personnel, including many of those in the office of research and estimates [sic] of the Central Intelligence Agency, suffer from inexperience and inadequacy of background. Some of them do not possess the 'global' objective mind needed to evaluate intelligence, coldly, logically, and definitively."⁴¹

A senior ORE officer, R. Jack Smith, shared Baldwin's view, noting that

We felt obliged to give the White House the best judgment we could command, and we continued to try as the years passed by. Eventually ...the cumulative experience of this persistent effort, combined with the recruitment of some genuine specialists and scholars, produced a level of expertise that had no counterpart elsewhere in

*the government. But this was a decade or more away.*⁴²

Ray Cline agreed with Smith's views. Cline wrote that "the expansion under [DCI] Vandenberg made the Agency a little bigger than before but not much better. It was filled largely with military men who did not want to leave the service at the end of the war but were not in great demand in the military services. The quality was mediocre."⁴³

During the critical year of 1948—which saw, among other crises, the Berlin Blockade—38 analysts worked in the Soviet and East European branch: 26 men and 12 women. As a group, their strength was previous exposure to the Soviet Union: nine had lived there, and 12 spoke Russian—both high figures for an era when knowledge about the USSR was limited, even in academia. Their backgrounds, however, were less impressive in other respects. Only one had a Ph.D., while six had no college degree at all. One had a law degree. Of those with college experience, a surprising number majored in fields far removed from their work with CIG/CIA: civil engineering, agriculture, and library science, for example. Far from being stereotypical well-heeled graduates of the Ivy League, many had attended colleges that, at least in that period, were undistinguished. Although military experience was wide-spread, only one had served in the OSS.⁴⁴

To be fair, the analysts faced a number of impediments that made it difficult for their work to match expectations. The information at their disposal was, for the most part, shared by others in the policy and intelligence communities.

Moreover, the pace of the working day was hectic, and the analysts were under constant pressure. The pressure came from outside—from government officials who demanded immediate support—and within, from individuals who realized that career advancement rested on quantity of production. Consequently, analysts had precious little time for reflection. In perhaps the best known example, Ludwell Montague in July 1946 was given only three days in which to research, write, and coordinate with other agencies the first estimate produced by CIG, ORE-1, “Soviet Foreign and Military Policy,”⁴⁵ (See following page.)

Nowhere was the pressure greater than in the production of the *Daily Summaries*. Each morning, at nine o’clock, couriers would arrive at CIA headquarters with the previous day’s cable traffic from State and the Pentagon. Between nine and 10, an editor would read the cables, write comments on those he thought worthy of using in the *Daily Summary* and sort them according to ORE’s branch organization. The analysts had on average of only one hour, between 10 and 11, to draft their articles. Between 11 and noon the articles were edited, and at noon the branch chiefs, editors, and office leadership met to decide which articles should be published. “By one o’clock, the *Daily* was usually dittoed, assembled, enclosed in blue folders, packaged, receipted for, and on its way by couriers to its approximately 15 official recipients.”⁴⁶

Because there were few contacts between the analysts and editors on the one hand and senior policymakers on the other, choosing which stories to include in the *Daily* was a shot in

the dark. As R. Jack Smith, then editor of the *Daily* recalled, “The comic back- drop to this daily turmoil was that in actuality nobody knew what President Truman wanted to see or not see.... How were we supposed to judge, sitting in a rundown temporary building on the edge of the Potomac, what was fit for the President’s eyes?” After gaining experience on the job, Smith decided that

*Intelligence of immediate value to the president falls essentially into two categories: developments impinging directly on the security of the United States; and developments bearing on major U. S. policy concerns. These cover possible military attacks, fluctuations in relationships among potential adversaries, or anything likely to threaten or enhance the success of major U.S. policy programs worldwide.*⁴⁷

The combination of uncertainty over what the president needed to see and the analysts’ need to publish as much as possible brought editors, analysts, and branch chiefs into frequent conflict. The analysts and their branch chiefs believed that they, as the substantive experts, should have the final say on the content of the *Summaries*, while the editors felt that the experts were too parochial in outlook to make such decisions.⁴⁸ Neither side held command authority, so the disputes had to be settled through argument and compromise. The most intractable cases would be bucked up to the office leadership to decide. This situation remained a source of tension within the office throughout ORE’s existence.

The Analytical Record

The Threat of War in Europe ...

From the beginning, the current intelligence sent to the White House contained numerous alarming reports about Soviet behavior from nearly all corners of the globe: the Middle East, Eastern Europe, Western Europe, and Korea in particular. A policymaker reading the *Summaries*, or the original reports on which the *Summaries* were based, could easily have concluded that Soviet military aggression was an imminent possibility.

The most consistent—and perhaps most important—theme of CIG/CIA analysis during this period, however, was that Soviet moves, no matter how menacing they might appear in isolation, were unlikely to lead to an attack against the West. This judgment looks even bolder in light of President Truman’s evident intention that ORE was to warn the US government of another Pearl Harbor—that is, a sudden surprise attack on American forces or Allies. Denied the ability to make comments in the *Summaries* for most of 1946, CIG’s first opportunity to put these reports into perspective was ORE-1, published on 23 July 1946. It noted that, although “the Soviet Government anticipates an inevitable conflict with the capitalist world,” Moscow “needs to avoid such a conflict for an indefinite period.”⁴⁹

Similarly, a *Special Study* published a month later and sent to the president noted that “during the past two weeks there has been a series of developments which suggest that some consideration should be given to the possibility of near-term Soviet

military action.”^{a, 50} The authors judged, however,

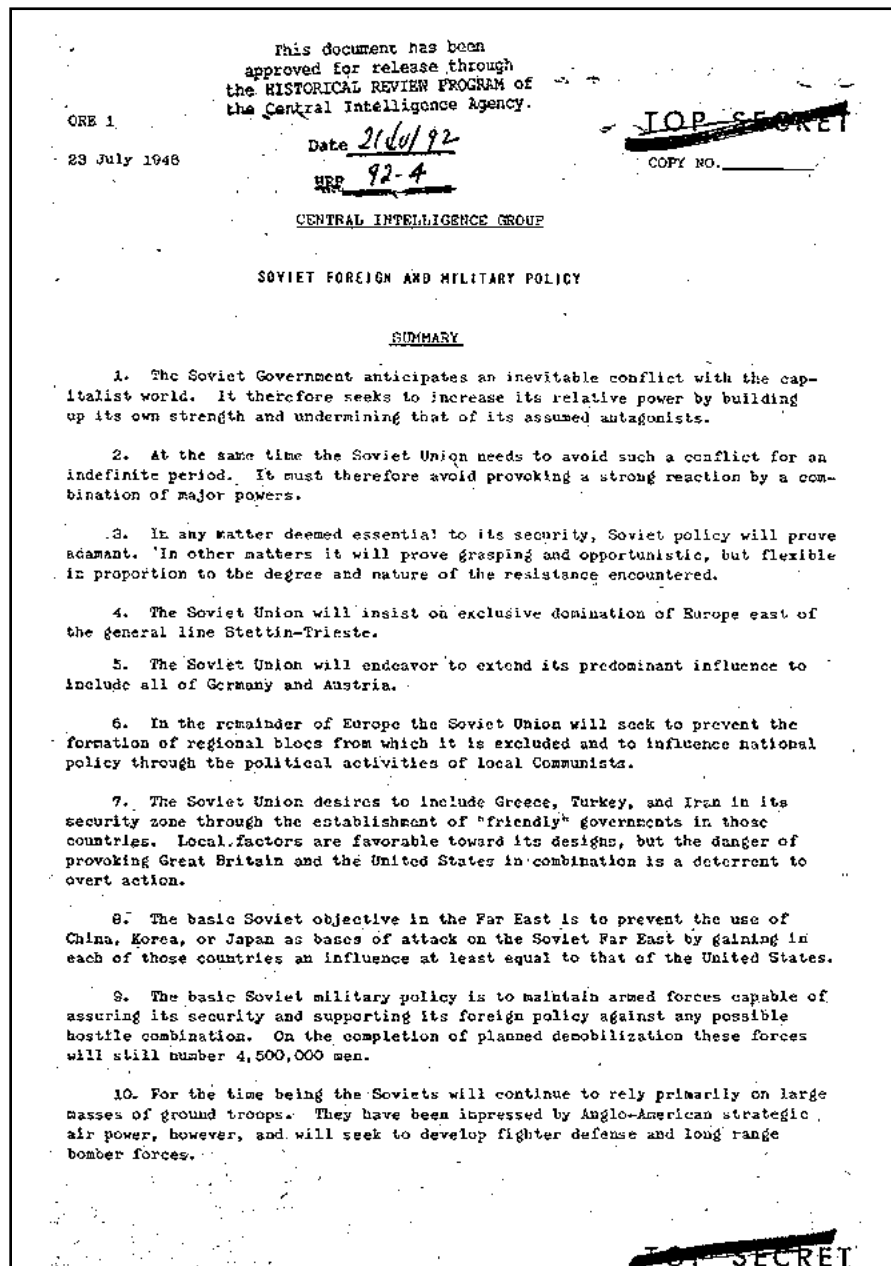
*The most plausible conclusion would appear to be that, until there is some specific evidence that the Soviets are making the necessary military preparations and dispositions for offensive operations, the recent disturbing developments can be interpreted as constituting no more than an intensive war of nerves. The purpose may be to test US determination to support its objectives at the [Paris] peace conference and to sustain its commitments in European affairs.*⁵¹

Subsequent crises did not shake this assessment. During the March 1948 “war scare,” touched off when General Lucius Clay, the US military governor in Germany, sent a message to the Pentagon warning of the likelihood of a sudden Soviet attack, CIA analysts bluntly rejected the notion.^{b, 52} During the scare, the State Department reported, in separate cables, that senior members of the Czechoslovak and Turkish governments also feared the Soviet Union was prepared to risk an attack. In comments on these reports made in the *Daily Summary* on 16 March, 1948, analysts said “CIA does not

a. On 9 February 1946, Stalin had given a harsh speech that convinced many leading Americans, including Secretary of the Navy Forrestal and Supreme Court Justice William O. Douglas, that war with the Soviet Union was becoming increasingly likely. Other incidents of this period that caused particular concern were Soviet diplomatic pressure on Turkey over joint Soviet-Turkish control of the straits, Yugoslavia’s destruction of two US aircraft, and a vicious Soviet propaganda campaign and internal crackdown (the Zhdanovshchina) against Western influences.

b. Clay’s message, sent on 5 March 1948, stated that “For many months ... I have felt and held that war was unlikely for at least 10 years. Within the last few weeks, I have felt a subtle change in Soviet attitude, which I cannot define but which now gives me a feeling that it may come with dramatic suddenness.”

4. ORE 1, 23 July 1946, Soviet Foreign and Military Policy



By the time ORE produced its first study in late July 1946 (summary above), the unit had been producing *Daily* and *Weekly Summaries* for the White House since February. ORE-1 included a two-page summary and two “enclosures” containing nine pages of analysis of foreign and military policies.

The summary above included one more judgment on its second page:

11. The Soviets will make a maximum effort to develop as quickly as possible such special weapons as guided missiles and the atomic bomb.

believe that the USSR is presently prepared to risk war in the pursuit of its aims in Europe.” On the following day, they added that “CIA does not believe that the USSR plans a military venture in the immediate future in either Europe or the Middle East.”⁵³

During the Berlin blockade, CIA’s position remained the same. “The Soviet action ... has two possible objectives: either to force the Western powers to negotiate on Soviet terms regarding Germany or, failing that, to force a Western power withdrawal from Berlin. The USSR does not seem ready to force a definite showdown.”⁵⁴ The explosion of the Soviet Union’s first atomic bomb, on 29 August 1949, similarly failed to change the analysts’ judgment: “No immediate change in Soviet policy or tactics is expected” was the verdict in the *Weekly Summary*.⁵⁵

... and in the Far East

ORE initially (29 October 1948) deemed the possibility of aggression by the Soviet client regime in North Korea as more likely.

An armed invasion of South Korea by the North Korean Peoples’ Army is not likely until US troops have been withdrawn from the area or before the Communists have attempted to “unify” Korea by some sort of coup. Eventual armed conflict between the North and South Korean Governments appears probable, however, in the light of such recent events as Soviet withdrawal from North Korea, intensified improvement of North Korean roads leading south, Peoples’ Army troop

*movements to areas nearer the 38th parallel and from Manchuria to North Korea, and combined maneuvers.*⁵⁶

ORE earlier (16 July 1948) had predicted that Soviet withdrawal from North Korea would be followed by “renewed pressure for the withdrawal of all occupation forces. The Soviet aim will be to deprive the US of an opportunity to establish a native security force in South Korea adequate to deal with aggression from the North Korean People’s Army.”⁵⁷

Unfortunately for ORE and the policymakers who read its analysis, this line was revised in a *Weekly Summary* published on 13 January 1950. “The continuing southward movement of the expanding Korean People’s Army toward the 38th parallel probably constitutes a defensive measure to offset the growing strength of the offensively minded South Korean Army.” ORE further stated that “an invasion of South Korea is unlikely unless North Korean forces can develop a clear-cut superiority over the increasingly efficient South Korean Army.”⁵⁸

Although this assessment appears naive in retrospect, it actually fit in well with the views held by senior American military officers, who believed the South Korean Army was sufficiently strong and no longer required US military aid. South Korean strongman Syngman Rhee, moreover, had begun making noises to American officials about reunifying Korea under his control; the possibility of South Korean provocation thus was not as remote at the time as it seems now.⁵⁹ (See next page for an excerpt from a 19 June 1950

estimate of the North Korean regime’s “current capabilities.”)

The day after the North Korean attack on 25 June 1950, the *Daily Summary* counseled that “successful aggression in Korea will encourage the USSR to launch similar ventures elsewhere in the Far East. In sponsoring the aggression in Korea, the Kremlin probably calculated that no firm or effective countermeasures would be taken by the West. However, the Kremlin is not willing to undertake a global war at this time.”⁶⁰

After initially suggesting that “firm and effective countermeasures by the West would probably lead the Kremlin to permit a settlement to be negotiated between the North and South Koreans,” the analysts within days concluded that “It is probable ... that a concerted attempt will be made to make the US effort in Korea as difficult and costly as possible.”⁶¹ A week later, the analysts amplified this theme:

All evidence available leads to the conclusion that the USSR is not ready for war. Nevertheless, the USSR has substantial capabilities, without directly involving Soviet troops, for prolonging the fighting in Korea, as well as for initiating hostilities elsewhere. Thus, although the USSR would prefer to confine the conflict to Korea, a reversal there might impel the USSR to take greater risks of starting a global war either by committing substantial Chinese Communist forces in Korea or by sanctioning aggressive actions by

172. ORE 18-50 Excerpt from 19 June 1950, Current Capabilities of the North Korean Regime

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CURRENT CAPABILITIES OF THE NORTHERN KOREAN REGIME

ESTIMATE OF CURRENT CAPABILITIES

The "Democratic People's Republic" of northern Korea is a firmly controlled Soviet Satellite that exercises no independent initiative and depends entirely on the support of the USSR for existence. At the present time there is no serious internal threat to the regime's stability, and, barring an outbreak of general hostilities, the Communists will continue to make progress toward their ultimate domestic goals. The Communist regime in northern Korea suffers from a shortage of skilled administrative personnel and from weaknesses in its economy and its official Party organizations. There is widespread, although passive, popular discontent with the Communist government. Despite these weaknesses, however, the regime has, with Soviet assistance, clearly demonstrated an ability to continue its control and development of northern Korea along predetermined political, economic, and social lines.

The northern Korean regime is also capable, in pursuit of its major external aim of extending control over southern Korea, of continuing and increasing its support of the present program of propaganda, infiltration, sabotage, subversion, and guerrilla operations against southern Korea. This program will not be sufficient in itself, however, to cause a collapse of the southern Korean regime and the extension of Communist control over the south so long as US economic and military aid to southern Korea is not substantially reduced or seriously dissipated.

At the same time the capability of the northern Korean armed forces for both short- and long-term overt military operations is being further developed. Although the northern and southern forces are nearly equal in terms of combat effectiveness, training, and leadership,

the northern Koreans possess a superiority in armor, heavy artillery, and aircraft. Thus, northern Korea's armed forces, even as presently constituted and supported, have a capability for attaining limited objectives in short-term military operations against southern Korea, including the capture of Seoul.

Northern Korea's capability for long-term military operations is dependent upon increased logistical support from the USSR. If the foreign supporters of each faction were called upon for increased assistance, there is no reason to believe that Soviet support would be withheld and considerations of proximity and availability of such assistance would greatly favor the northern Korean regime. Soviet assistance to northern Korea, however, probably would not be in the form of direct participation of regular Soviet or Chinese Communist military units except as a last resort. The USSR would be restrained from using its troops by the fear of general war; and its suspected desire to restrict and control Chinese influence in northern Korea would militate against sanctioning the use of regular Chinese Communist units in Korea.

Despite the apparent military superiority of northern over southern Korea, it is not certain that the northern regime, lacking the active participation of Soviet and Chinese Communist military units, would be able to gain effective control over all of southern Korea. The key factors which would hinder Communist attempts to extend effective control under these circumstances are: (1) the anti-Communist attitude of the southern Koreans; (2) a continuing will to resist on the part of southern troops; (3) the Communist regime's lack of popular support; and (4) the regime's lack of trained administrators and technicians.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It contains information available to CIA as of 15 May 1950.

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a defeat and a defeat under these circumstances would be far more disastrous, not only because it would be a greater blow to Soviet prestige throughout the world, but because it would seriously threaten Soviet control over the Chinese Communist regime." Moreover, if the Chinese were to emerge victorious, "the presence of Chinese Communist troops in Korea would complicate if not jeopardize Soviet direction of Korean affairs; Chinese Communist prestige, as opposed to that of the USSR, would be enhanced; and Peiping might be tempted as a result of success in Korea to challenge Soviet leadership in Asia." Finally, the analysts believed that Chinese intervention was unlikely because "the use of Chinese Communist forces in Korea would increase the risk of global war, not only because of possible UN or US reaction but because the USSR itself would be under greater compulsion to assure a victory in Korea, possibly by committing Soviet troops."⁶³

The *Weekly Summary* of 15 September 1950 briefly described the evidence that suggested Chinese intervention was likely but still concluded that Beijing would not risk war with the United States:

Numerous reports of Chinese Communist troop movements in Manchuria, coupled with Peiping's recent charges of US aggression and violations of Chinese territory, have increased speculation concerning both Chinese Communist intervention in Korea and disagreement between the

ORE 18-50 judged, among other things, that North Korean forces "have a capability for attaining limited objectives in short-term military operations against southern Korea, including the capture of Seoul."

Satellite forces in other areas of the world.^{a, 62}

ORE analysts quickly concluded, however, that Chinese intervention was not likely. They reasoned that,

although a North Korean defeat would "have obvious disadvantages" for the Soviet Union, "the commitment of Chinese Communist forces would not necessarily prevent such

a. Three days after the war began, ORE analysts assured President Truman that "No evidence is available indicating Soviet preparations for military operations in the West European theater." Nevertheless, the analysts cautioned, "Soviet military capabilities in Europe make it possible for the USSR to take aggressive action with a minimum of preparation or advance notice." *Daily Summary*, 28 June 1950, Document 175.

*USSR and China on matters of military policy. It is being argued that victory in Korea can only be achieved by using Chinese Communist (or Soviet) forces, that the USSR desires to weaken the US by involving it in a protracted struggle with China, and that the Chinese Communists are blaming the USSR for initiating the Korean venture and thus postponing the invasion of Taiwan. Despite the apparent logic of this reasoning, there is no evidence indicating a Chinese-Soviet disagreement, and cogent political and military considerations make it unlikely that Chinese Communist forces will be directly and openly committed in Korea.*⁶⁴

The first Chinese warnings of intervention in the war if UN forces crossed the 38th parallel were published in the *Daily Summary* on 30 September without comment, perhaps because they were downplayed by the US ambassador to the Soviet Union, to whom others in the Moscow diplomatic corps had passed the warnings.⁶⁵ On 3 October, the analysts drew on a similar report from the US Embassy in London to state that “CIA estimates ... that the Chinese Communists would not consider it in their interests to intervene openly in Korea if, as now seems likely, they anticipate that war with the UN nations [sic] would result.”⁶⁶

In the same article the analysts warned, as they had before and would again, that “The Chinese Communists have long had the capability for military intervention in Korea on a scale sufficient to materially affect the course of events.”⁶⁷ Nevertheless, in eight subsequent *Daily Summaries*,

CIA analysts restated their belief that China would, first, not intervene, and then—as the intervention got under way—that it would not develop into a large-scale attack. The last *Summary* containing this judgment came on 17 November, three weeks after the first Chinese troops, wearing Korean uniforms, entered combat in far northern Korea.⁶⁸

The Danger of Subversion in Europe

Throughout this period, ORE analysts were far more concerned about Soviet use of local communist parties to subvert pro-Western governments than they were about the possibility of armed aggression by the USSR or one of its communist allies. As ORE expressed it in September 1947, “The USSR is unlikely to resort to open military aggression in present circumstances. Its policy is to avoid war, to build up its war potential, and to extend its influence and control by political, economic, and psychological methods.”⁶⁹

CIG had reached a very similar conclusion about the first serious postwar confrontation with the Soviet Union—its refusal to withdraw its forces from northern Iran and its subsequent support for the breakaway Iranian provinces of Azerbaijan and Kurdistan.⁷⁰ After the worst of the Iran crisis had passed, the first *Weekly Summary* warned that the Soviets, having recognized that their policy toward Iran was “heavy-handed and over-hasty” would rely on “gradual penetration.” It declared that “the Soviets clearly feel that ‘time is on their side’ in Iran and that the general economic backwardness of the country and the unpopular labor policy of the British oil companies will forward their cause.”⁷¹ “Their cause” was identified as “gaining

control over Iranian oil and blocking closer military ties between Iran and the West.”⁷²

ORE tracked the gradual but inexorable consolidation of communist power across Eastern Europe, as brought about through a combination of political manipulation by local communists and pressure from Soviet occupation forces. The political and economic undermining of the prospects for democracy in Eastern Europe reinforced the analysts’ conclusion that this type of subversion was the greatest danger from the Soviet Union. The analysts observed that Moscow’s objective in the region was to “establish permanent safeguards for their strategic, political, and economic interests, including... stable and subservient, or at least friendly, regime[s].”⁷³

The analysts were most troubled by the consolidation of Communist power in Czechoslovakia in February 1948, judging that it would diminish

*the possibility of a compromise in Europe between the ideologies of the Kremlin and the principles of Western democracy and individual freedom. Such a compromise had apparently been achieved in Czechoslovakia.... The coup ... reflects the refusal of the Communists to settle for anything less than complete control and their conviction that such dominance could never have been achieved under a freely operating parliamentary form of government.*⁷⁴

On Germany, ORE anticipated that Stalin would use subversive tactics to try to create a unified German state from the occupied ruins of the Third Reich: “A German

administration strongly centralized in Berlin will be much more susceptible than a loose federation to Soviet pressures.... Posing thus as the champions of German nationalism and rehabilitation, the Soviets can attempt to discredit the policy of the Western powers and to facilitate the Communist penetration of their zones.”⁷⁵ The analysts warned that the removal of zonal barriers would place the Soviets in a “position to launch a vigorous campaign to communize the Western zone.”⁷⁶

After the Council of Foreign Ministers (CFM) conference in Moscow in the spring of 1947 failed to reach agreement on Germany’s future, ORE analysts advised that the Soviets may be trying to (1) “prolong the unsettled conditions in Europe conducive to Communism; and (2) to encourage the US to expend its patience and energy in a vain quest for agreement until forced by its internal economic and political conditions to curtail its foreign commitments and to leave Europe to the USSR by default.”⁷⁷

ORE noted that Soviet efforts to penetrate the western zones of Germany focused on attempts to “extend the SED [Socialist Unity Party, the Communist’s stalking horse in the eastern zone] political structure to the west, while, simultaneously, efforts are made to establish Communist front organizations, such as the Freie Deutsche Jugend (FDJ), and to penetrate Western Zone labor unions.”⁷⁸ ORE warned that if “Soviet efforts at the [November 1947] CFM fail to achieve a united Germany on Soviet terms, the USSR will attempt to blame the Western powers for failure of the conference. At the same time, the Kremlin may announce the

recognition of a ‘German Republic’ east of the Elbe and attempt to secure the removal of the Western Allies from Berlin.”⁷⁹

Once the first signs of the Berlin blockade emerged in April 1948, ORE analysts advised that Stalin wanted “a negotiated settlement ... on terms which would permit ultimate Soviet control of Berlin and Communist penetration of western Germany.”⁸⁰ After the blockade was lifted in the spring of 1949, CIA assessed that Soviet objectives in Germany remained unchanged: “Soviet agreement to lift the Berlin blockade and enter into four-power discussions on Germany does not represent any change in the Soviet objective to establish a Germany which will eventually fall under Soviet domination.”⁸¹

The analysts also highlighted the communist threat in France and Italy. Both countries had emerged from the war with widespread devastation and strong communist parties sharing power in coalition governments. After the French and Italian prime ministers expelled the communist ministers from their governments in the spring of 1947, ORE predicted that

The Kremlin apparently proposes for countries such as France and Italy: (1) intensive agitation against their present governments and against non-Communist liberals; and (2) the development of highly-disciplined Communist cores which, at the proper moment, could assume control. Such a program is well-adapted to the current situation in France where, [now] relieved of governmental

*responsibility, the Communists are in a position to threaten (by propaganda, subversion, and trade-union agitation) the stability of the present Government. Where Communism is less powerful, the Kremlin desires to concentrate on gaining control of trade unions and other liberal organizations.*⁸²

ORE warned in September 1947 that “the sudden overthrow of the De Gasperi government [in Italy] by Communist-sponsored armed force, following [the December 1947] withdrawal of Allied troops,” was “within the realm of possibility” because of the Italian Army’s weakness. But the analysts thought that outcome was unlikely. They wrote that “the USSR is unwilling to support directly such a step because it might involve war with the US” and because the potential failure of the much anticipated European Recovery Program (better known today as the Marshall Plan) could deliver Italy into the hands of the communists in the April 1948 elections. ORE worried more that a communist-inspired general strike could paralyze the important north Italian industrial area; such an event could “defeat the operation of the European recovery program and eventually throw not only Italy into the Soviet orbit, but possibly France as well.”⁸³

A *Special Evaluation* published on 13 October 1947 concluded that Moscow’s establishment of the Communist Information Bureau in September 1947

suggests strongly that the USSR recognizes that it has reached a point of diminishing returns in the attempts of the

*Communist parties of Western Europe to rise to power through parliamentary means and that, consequently, it intends to revert to subversive activities, such as strikes and sabotage, in an effort to undermine the stability of Western European governments. This move likewise tends to substantiate the contention that the USSR considers international subversive and revolutionary action, rather than military aggression, as the primary instrument for obtaining its worldwide objectives.*⁸⁴

ORE concluded that, "In its efforts to sabotage the European recovery program, which is the USSR's immediate and primary target, the Kremlin will be willing even to risk the sacrifice of the French and Italian Communist Parties" by ordering them to use sabotage and violence against the Marshall Plan. "If these Parties are defeated and driven underground, the USSR will have lost no more than it would lose by the success of the European recovery program. CIA believes that the unexpectedly rapid progress of the [proposed] Marshall program has upset the timetable of the Kremlin and forced this desperate action as the last available counter-measures."⁸⁵

The unexpectedly severe defeat of the Italian communists in the April 1948 national election considerably eased the concerns of ORE's analysts. Noting that the election results had "vastly improved the morale and confidence of the anti-Communists in both Italy and France," the analysts predicted that "for the immediate future, Communist activities in Western Europe are likely to be directed toward rebuilding the popular front

rather than an early or determined bid for power." Nevertheless, "the Communists are not expected to relax their efforts to prevent recovery in Europe.... Strikes and industrial sabotage ... therefore can be expected."⁸⁶

The civil war in Greece, which had begun in 1946, received relatively little attention in the current intelligence publications until the British Government announced in early 1947 that it would have to withdraw its forces from the country and significantly reduce its assistance to Greece's non-communist government. The *Weekly Summary* of 28 February published seven days after the British announcement, summarized the dire situation facing Greece:

*Alone, Greece cannot save itself. Militarily, the country needs aid in the form of equipment and training. Politically, Greece's diehard politicians need to be convinced of the necessity of a housecleaning, and the prostrate Center ... requires bolstering. Economically, it needs gifts or loans of commodities, food, foreign exchange, and gold to check inflation. Of these needs, the economic are the most vital.... Without immediate economic aid ... there would appear to be imminent danger that the Soviet-dominated Left will seize control of the country, which would result in the loss of Greece as a democracy.*⁸⁷

ORE analysts believed the chain of command for the communist forces in Greece started in Moscow and ran through Yugoslav leader

Josip Broz-Tito to Bulgaria and Albania before reaching the Greek Communists.⁸⁸ Nevertheless, they rejected the possibility that armies of those countries would assist the Greek guerrillas, despite numerous rumors to the contrary:

*CIG considers direct participation by the Albanian, Yugoslav, and Bulgarian armies unlikely. Such action would obviously have far-reaching international repercussions and might even involve the USSR in a world war for which it is unprepared. The likelihood of direct participation by Soviet troops in Greece or Turkey at this time is so remote that it need not seriously be considered.*⁸⁹

In July 1948, ORE advised the President that Tito's rift with Stalin, which appeared in March, would considerably lessen the pressure against Greece.⁹⁰ It soon followed with a report of slackening Bulgarian support for the guerrillas, although ORE was unable to specify the cause of the change.⁹¹

The Threat From Revolution in the Far East

In their coverage of the Chinese civil war in the late 1940s, ORE analysts noted that "the Soviet Union has scrupulously avoided identifying the Chinese Communist Party with Moscow, and it is highly improbable that the Soviet leaders would at this time jeopardize the Chinese Communist Party by acknowledging its connection with the world Communist movement."⁹² They later affirmed that the USSR had "given renewed indications that it is not ready to abandon its 'correct' attitude toward the Nanking government in

favor of open aid to the Communists in China's civil war."⁹³ Moreover, "Because of the intensely nationalistic spirit of the Chinese people ... the [Chinese] Communists are most anxious to protect themselves from the charge of Soviet dominance."⁹⁴

Not until the end of 1948 did ORE analysts begin to worry about what a communist victory in China might mean for the global balance of power: "A tremendously increased Soviet war potential in the Far East may result eventually from Communist control of Manchuria and north China."⁹⁵ At the same time, the analysts began warning that "Recent statements from authoritative Chinese Communist sources emphasize the strong ideological affinity existing between the USSR and the Chinese Communist party ... and indicate that Soviet leadership, especially in foreign affairs, will probably be faithfully followed by any Communist-dominated government in China."⁹⁶

After the communists' final victory over Chiang Kai-shek's Nationalist regime in the autumn of 1949, the analysts doubted that Mao's protracted stay in Moscow, which began in December 1949 and lasted for nine weeks, was a sign of potential trouble in the alliance: "Although the length of Mao's visit may be the result of difficulties in reaching agreement on a revised Sino-Soviet treaty ... it is unlikely that Mao is proving dangerously intractable. Mao is a genuine and orthodox Stalinist, [and] is in firm control of the Chinese Communist Party."⁹⁷ The analysts believed that "The USSR can be expected to gradually strengthen its grip on the Chinese Communist Party apparatus, on the armed forces, on the

ORE 45-48 ~~SECRET~~

THE CURRENT SITUATION IN CHINA

SUMMARY

The position of the present National Government is so precarious that its fall may occur at any time. It is quite likely, however, that it may survive with diminishing power for some time, but soon become only one of several regimes exercising governmental powers independently in Nationalist China. Even with the current US aid program, the present National Government has little prospect of reversing or even checking these trends of disintegration. The increasing instability in Nationalist China will facilitate the extension of Chinese Communist military and political influence.

Within Nationalist China the power and prestige of Chiang Kai-shek is steadily weakening because of the unsuccessful prosecution of the war under his leadership and his apparent unwillingness and inability to accomplish positive reforms. Opposition, both within the Kuomintang and among dissident elements, centered chiefly in Hong Kong, is gathering strength. In addition, deteriorating economic conditions are exerting a cumulative impact on the political structure of the National Government. Furthermore, the military forces of the Chinese Communists have been able to seize the tactical initiative on an increasingly large scale. Even with current US assistance, it is improbable that the Nationalist Army can successfully defend all of its present territories.

In foreign relations, questions concerning the neighboring states of Japan and the USSR are of paramount interest to China for reasons of security. Chinese opinion favors a "hard" peace settlement with Japan so as to prevent the resurgence of that country as a Great Power. It is equally important for China to maintain correct and if possible friendly relations with the USSR, for China unaided cannot match Soviet power. Implementation of US aid to China is complicated by the question of the extent of US controls and supervision, and US insistence upon accompanying economic, political, and military reforms. The USSR thus far has refrained from overt material assistance to the Chinese Communists and continues to recognize the National Government, but it is apparent, nevertheless, that Soviet sympathies lie with the Chinese Communists. Even if US aid should prove effective, this might prove to be only a temporary advantage for the National Government, since it might be offset by Soviet counter-aid to the Chinese Communists.

The prospect for the foreseeable future in China is at best an indefinite and inconclusive prolongation of the civil war, with the authority of the National Government limited to a dwindling area in Central and South China and isolated major cities in north and northeast China, and with political and economic disorder spreading throughout the country except possibly in Communist-held areas. The worst prospect is complete collapse of the National Government, and its replacement by a Chinese

Note: The information in this report is as of 11 June 1948.
The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report.

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ORE 45-48 (the opening page of its two-page summary shown above) sized up the state of the civil war in China and its general implications, many of which would be realized just over a year later with a communist victory. The summary continued on the second page: ... Communist-controlled regime, under Soviet influence if not under Soviet control, and uncooperative toward the US If not openly hostile. The latter development would result in an extensive loss of US prestige and increased Communist influence throughout the Far East, as well as an intensification of threat to US interests in the Western Pacific area.

secret police, and on communications and informational media."⁹⁸

ORE initially devoted little attention to the French struggle in Indochina against the Viet Minh independence movement led by Ho

Chi Minh—in fact, the office devoted much more coverage to the problems the Dutch were having in their colony in Indonesia. Although most of ORE's information came from French officials, the analysts were skeptical that Paris would be able to put down the rebellion.⁹⁹ They concluded that “Any Vietnam government which does not include Ho Chi Minh or his more moderate followers will ... be limited in scope of authority by the perimeters of French military control and will be open to widespread popular opposition and sabotage.”¹⁰⁰

Ho was not at first portrayed by ORE as either a communist or a Soviet ally. The analysts referred to him as “President Ho.”¹⁰¹ The first mention of a tie to Moscow, made in May 1948, was a grudging one: “Ho Chi Minh ... is supported by 80 percent of the population and ... is allegedly loyal to Soviet foreign policy.”¹⁰² As late as September 1949, analysts wrote that “Ho's relationship with the Kremlin and the Chinese Communists remains obscure.... Ho has stated his willingness to accept military equipment from the Chinese Communists. On the other hand, Ho still maintains that neutrality between the US and the USSR is both possible and desirable.”¹⁰³

Moscow's recognition of Ho's government on 31 January 1950 prompted the analysts to change their stance dramatically, however.¹⁰⁴ They saw the likelihood of a series of regional governments falling in turn under Soviet influence:

If France is driven from Indochina, the resulting emergence of an indigenous Communist-dominated regime in Vietnam, together with pressures

exerted by Peiping and Moscow, would probably bring about the orientation of adjacent Thailand and Burma toward the Communist orbit. Under these circumstances, other Asian states—Malaya and Indonesia, particularly—would become highly vulnerable to the extension of Communist influence.... Meanwhile, by recognizing the Ho regime, the USSR has revealed its determination to force France completely out of Indochina and to install a Communist government. Alone, France is incapable of preventing such a development.”¹⁰⁵

The analysts concluded that, although only the United States could help France avoid defeat, the “Asian nations ... would tend to interpret such US action as support of continued Western colonialism.”¹⁰⁶

Soviet Aims in Israel

Like many in the State Department and elsewhere in the US government, ORE, worried by reports that the Soviets were funneling arms and money to Zionist guerrillas, suggested that the creation of Israel could give the USSR a client state in the Middle East.¹⁰⁷

Formation of a Jewish state in Palestine will enable the USSR to intensify its efforts to expand Soviet influence in the Near East and to perpetuate a chaotic condition there.... In any event, the flow of men and munitions to Palestine from the Soviet Bloc can be expected to increase substantially. The USSR will undoubtedly take advantage of the removal of immigration restrictions to increase the influx

of trained Soviet agents from eastern and central Europe into Palestine where they have already had considerable success penetrating the Stern Gang, Irgun, and, to a lesser extent, Haganah.”¹⁰⁸

Not until November 1948, six months after Israel declared its independence and defeated a coalition of Arab opponents, did ORE suggest that events might turn out otherwise: “There is some evidence that Soviet ... enthusiasm for the support of Israel is diminishing.”¹⁰⁹ ORE later suggested that the change in attitude stemmed from a Soviet estimate “that the establishment of Israel as a disruptive force in the Arab world has now been accomplished and that further military aid to a country of basically pro-Western sympathies would ultimately prove prejudicial to Soviet interests in the Near East.”¹¹⁰

Conclusion

ORE met its end shortly after Lt. Gen. Walter Bedell Smith and William H. Jackson, of the Dulles-Jackson-Correa survey team, arrived in late 1950 as Director of Central Intelligence and Deputy Director, respectively. They abolished ORE that November and replaced it with three new units: the Office of National Estimates, the Office of Research and Reports, and the Office of Current Intelligence. These steps finally ended the confusion over the analytical mission, primarily by splitting the competing functions of national, current, and basic intelligence into three offices.

Much maligned by insiders and outsiders alike, ORE's record is perhaps not as bad as its reputation.

Its analysis holds up well when compared to both the views held by other agencies at the time and our current understanding of events in that period. Of course, ORE, like all intelligence organizations in all eras, had its failures. Dramatic, sweeping events, such as wars and revolutions, are far too complex to predict or analyze perfectly. Even with the benefit of unprecedented access to Russian and Chinese sources, for example, contemporary historians are unable to

conclusively pinpoint when and why Mao decided to intervene in Korea.¹¹¹

Gaps also exist in our knowledge about what intelligence President Truman saw, understood, believed, and used. Judging the impact of intelligence on policy is difficult always, and especially so from a distance of 50 years. On many issues, such as the communist threat to Italy, ORE's work tended to reinforce what many policymakers in the administration and officials in the field already believed.

It does seem fair to conclude that ORE's repeated, correct assurances that a Soviet attack in Europe was unlikely must have had a steadying influence when tensions were high and some feared a Soviet onslaught. In this, the analysts of ORE served President Truman well, and their accurate assessment ultimately must be considered ORE's most important contribution in those early, fearful years of the Cold War.



The author: At the time Woodrow Kuhns wrote the preface and edited the volume on early CIA Cold War analysis, he was serving as a member of CSI's History Staff. He would later become its deputy of director, serving in that post until his retirement.

Endnotes

The declassified ORE-produced reports in this article can be found at <https://www.cia.gov/resources/csi/books-monographs/assessing-the-soviet-threat/> as can a digital version of the entire book *Assessing the Soviet Threat, The Early Cold War Years*. Also available there are four PDFs containing the documents broken into four chronological sections for easier downloading and a PDF containing only the front matter (the original version of this preface, table of contents, a chronology of key events in the period and complete list of documents). For documents affecting CIA's evolution immediately after ORE became ORR, see Michael Warner (ed.), *Central Intelligence: Origin and Evolution: Historical Perspective and 19 Foundational Documents* (CIA, Center for the Study of Intelligence, 2001), available at <https://cia.gov/resources/csi/books-monographs/origin-and-evolution/>

1. Harry S. Truman, *Memoirs, Years of Trial and Hope, 1946–1952*, vol. 2, (Doubleday, 1956), 56.
2. See Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government to 1950* (The Pennsylvania State University Press, 1990), 81.
3. See *United States Department of State, Foreign Relations of the United States 1945–1950, Emergence of the Intelligence Establishment* (US Government Printing Office, 1996), 1,110. Hereafter cited as *Emergence of the Intelligence Establishment*. The work is now also available at: <https://history.state.gov/historicaldocuments/frus1945-50Intel>
4. “Presidential Directive on Coordination of Foreign Intelligence Activities,” *Emergence of the Intelligence Establishment*, 178, 179. Also reproduced in Michael Warner, ed., *The CIA Under Harry Truman* (Central Intelligence Agency, 1994), 29–32.
5. “Minutes of the First Meeting of the National Intelligence Authority,” *Emergence of the Intelligence Establishment*, 328.
6. Darling, *The Central Intelligence Agency*, 81, 82.
7. National Intelligence Authority Directive No. 1, “Policies and Procedures Governing the Central Intelligence Group,” 8 February 1946, *Emergence of the Intelligence Establishment*, 329–31.
8. National Intelligence Authority Directive No. 2, “Organization and Functions of the Central Intelligence Group,” 8 February 1946, *Emergence of the Intelligence Establishment*, 331–33.
9. *Emergence of the Intelligence Establishment*, 367.
10. *Emergence of the Intelligence Establishment*, 1,111.
11. Ray S. Cline, *Secrets, Spies, and Scholars: Blueprint of the Essential CIA* (Acropolis Books, 1976), 91, 92. Cline rose to become Deputy Director for Intelligence (DDI) between 1962 and 1966.
12. R. Jack Smith, *The Unknown CIA* (Pergamon-Brassey’s, 1989), 42. Smith served as DDI, from 1966 to 1971.
13. Smith, *The Unknown CIA*, 34, 35.
14. The delays involved in interagency coordination made it difficult to meet the publication deadline while still including the most recent events in its contents. George S. Jackson, *Office of Reports and Estimates, 1946–1951, Miscellaneous Studies*, HS MS-3, vol. 3 (Central Intelligence Agency, 1954), 279–87. National Archives and Records Administration, Record Group 263, History Staff Source Collection, NN3-263-95-003.
15. See the discussion of the *Dulles-Jackson-Correa Report* on page 10.
16. Memo from Chief, Projects Division to Assistant Director, R&E, “Proposed Concept for Future CIG Production of Staff Intelligence,” 1 July 1947. CIA History Staff Job 67-00059A, Box 2, Confidential. Nevertheless, during its existence ORE did produce over 125 estimates, 97 of which were declassified in 1993 and 1994 and deposited in the National Archives. For a complete list of declassified estimates published during the years 1946–84, see <https://cia.gov/resources/csi/books-monographs/listing-of-declassified-national-intelligence-estimates-on-the-soviet-union-and-international-communism-1946-1984/>.
17. This point is made repeatedly throughout George S. Jackson, *Office of Reports and Estimates, 1946–1951*. Jackson himself served in the office during the period of this study.
18. National Intelligence Authority Directive No. 5, “Functions of the Director of Central Intelligence,” 8 July 1946, *Emergence of the Intelligence Establishment*, 392.

19. Montague to Babbitt, "Comment on the Dulles-Jackson Report," 11 February 1949. National Archives and Records Administration, Record Group 263, History Staff Source Collection, HS/HC 450, NN3-263-94-010, Box 14. Montague's reference to a "deliberate but covert" attempt to increase the responsibility of ORE refers to the efforts of DCI General Hoyt Vandenberg to boost himself, and CIG as a whole, into a dominant position in the Intelligence Community. Opposition from the other departments largely scuttled his attempts in this direction. See *Emergence of the Intelligence Establishment*, 366.
20. Jackson, *Office of Reports and Estimates, 1946–1951*, vol. 1, 95.
21. *Ibid.*, 98.
22. Montague to J. Klahr Huddle, Assistant Director, R&E, "Conversation with Admiral Foskett regarding the C.I.G. Daily and Weekly Summaries," 26 February 1947, in Warner, ed., *The CIA Under Harry Truman*, 123.
23. *Ibid.*
24. Memo from Assistant Director, Office of Collection and Dissemination to Huddle, "Adequacy Survey of the CIG Daily and Weekly Summaries," 7 May 1947, History Staff Job 67-00059A, Box 2.
25. *Ibid.*
26. *Ibid.*
27. *Ibid.*, 5.
28. Allen W. Dulles, William H. Jackson, and Mathias F. Correa, "The Central Intelligence Agency and National Organization for Intelligence: A Report to the National Security Council," 1 January 1949. The summary of the report is reprinted in *Emergence of the Intelligence Establishment*, 903–11. The entire report is available at the National Archives and Records Administration, RG 59, Records of the Department of State, Records of the Executive Secretariat, NSC Files: Lot 66 D 148, Box 1555.
29. *Ibid.*, 65, 69.
30. *Ibid.*, 6.
31. *Ibid.*
32. *Ibid.*
33. *Ibid.*, 6, 7.
34. *Ibid.*, 84, 85.
35. *Ibid.*, 85, 86.
36. *Ibid.*, 11.
37. See George S. Jackson and Martin P. Claussen, *Organizational History of the Central Intelligence Agency, 1950–1953*, Chapter VIII, "Current Intelligence and Hostility Indications," The DCI Historical Series (Washington, DC: The Central Intelligence Agency, 1957), 21. National Archives and Records Administration, Record Group 263, History Staff Source Collection, NN3-263-92-004.
38. Montague to Hoyt S. Vandenberg, Director of Central Intelligence, "Procurement of Key Personnel for ORE," 24 September 1946, in Warner, ed., *The CIA Under Harry Truman*, 85.
39. *Ibid.*
40. "Table of Organization," 20 December 1950, Job 78-01617A, Box 55.
41. Baldwin, "Intelligence—IV, Competent Personnel Held Key to Success—Reforms Suggested," *The New York Times*, July 24, 1948.
42. Smith, *The Unknown CIA*, 36.
43. Cline, *Secrets, Spies, and Scholars*, 92.
44. Author's survey of CIA personnel files. Another veteran of the period, James Hanrahan, recalls that pockets of greater academic expertise existed in other branches of ORE, such as the West European Branch. Interview with James Hanrahan, 16 July 1997. Hanrahan would be interviewed again in 2003, an interview in which he covered management of changes under DCI's after 1950.
45. Darling, *The Central Intelligence Agency*, 130. Document 4 in Documents 1 (14 June 1946) - 45 (21 November 1947)
46. Jackson, *Office of Reports and Estimates, 1946–1951*, vol. 5, 583.

47. Smith, *The Unknown CIA*, 34. 51.
48. *Ibid.*, 31–33.
49. ORE 1, 23 July 1946, “Soviet Foreign and Military Policy,” Document 4.
50. See Walter Millis, ed., *The Forrestal Diaries* (The Viking Press, 1951), 134, 135. On the Zhdanovshchina, see Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin’s Cold War: From Stalin to Khrushchev* (Harvard University Press, 1996), 123–25.
51. Special Study No. 3, 24 August 1946, “Current Soviet Intentions,” Document 8.
52. Quoted in Frank Kofsky, *Harry S. Truman and the War Scare of 1948: A Successful Campaign to Deceive the Nation* (St. Martin’s Press, 1993), 104.
53. *Daily Summary*, 16 March 1948, Document 64; *Daily Summary*, 17 March 1948, Document 67.
54. *Weekly Summary*, 2 July 1948, Document 85.
55. *Weekly Summary*, 30 September 1949, Document 145.
56. *Weekly Summary*, 29 October 1948, Document 103.
57. *Weekly Summary*, 16 July 1948, Document 87. ORE 3-49, “Consequences of US Troop Withdrawal from Korea in Spring, 1949,” published 28 February 1949, similarly predicted that the withdrawal of US troops from South Korea “would probably in time be followed by an invasion.” Reprinted in Warner, ed., *The CIA Under Harry Truman*, 265.
58. *Weekly Summary*, 13 January 1950, Document 155.
59. Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford University Press, 1992), 365.
60. *Daily Summary*, 26 June 1950, Document 173.
61. *Ibid.*; *Weekly Summary*, 30 June 1950, Document 176.
62. *Weekly Summary*, 7 July 1950, Document 180.
63. *Weekly Summary*, 14 July 1950, Document 184.
64. *Weekly Summary*, 15 September 1950, Document 191. For the contemporary research on this issue, see, for example, John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (Oxford University Press, 1997), 77–82.
65. *Daily Summary*, 30 September 1950, Document 193.
66. *Daily Summary*, 3 October 1950, Document 194.
67. *Ibid.*
68. *Daily Summaries*, 9 October 1950, Document 196; 16 October 1950, Document 200; 20 October 1950, Document 201; 28 October 1950, Document 202; 30 October 1950, Document 203; 31 October 1950, Document 204; 2 November 1950, Document 205; 17 November 1950, Document 208.
69. *Review of the World Situation*, 26 September 1947, Document 37.
70. In December 1945, Iranian rebels under the protection of Soviet forces proclaimed an independent Azerbaijan and an independent Kurdish People’s Republic. The Government of Iran protested this Soviet interference in its internal affairs before the UN Security Council in January 1946.
71. *Weekly Summary*, 14 June 1946, Document 1.
72. *Weekly Summary*, 18 March 1949, Document 127.
73. *Weekly Summary*, 5 July 1946, Document 2. The quotation refers specifically to Bulgaria, but the same point was repeated about other East European countries as well. *Weekly Summary*, 19 July 1946, Document 3, for example, contains a piece on Hungary that notes the “Soviet desire to establish the control of the minority Communist Party in anticipation of the peace settlement and the ultimate withdrawal of Soviet troops.”
74. *Weekly Summary*, 27 February 1948, Document 62.
75. *Weekly Summary*, 19 July 1946, Document 3.
76. *Weekly Summary*, 2 August 1946, Document 5.
77. *Weekly Summary*, 2 May 1947, Document 23.
78. *Weekly Summary*, 5 September 1947, Document 34.
79. *Ibid.*

80. *Weekly Summary*, 5 November 1948, Document 105.
81. *Weekly Summary*, 6 May 1949, Document 134.
82. *Weekly Summary*, 9 May 1947, Document 24.
83. *Weekly Summary*, 12 September 1947, Document 35.
84. *Special Evaluation 21*, 13 October 1947, “Implications of the New Communist Information Bureau,” Document 40.
85. *Daily Summary*, 4 December 1947, Document 48.
86. *Weekly Summary*, 23 April 1948, Document 72.
87. *Weekly Summary*, 28 February 1947, Document 19.
88. *Weekly Summary*, 15 August 1947, Document 31.
89. *Daily Summary*, 5 September 1947, Document 33.
90. *Weekly Summary*, 9 July 1948, Document 86.
91. *Weekly Summary*, 23 July 1948, Document 90.
92. *Weekly Summary*, 19 December 1947, Document 52.
93. *Weekly Summary*, 9 January 1948, Document 55.
94. *Weekly Summary*, 27 February 1948, Document 62.
95. *Weekly Summary*, 12 November 1948, Document 106.
96. *Weekly Summary*, 3 December 1948, Document 111.
97. *Weekly Summary*, 13 January 1950, Document 155.
98. *Weekly Summary*, 17 February 1950, Document 160.
99. *Weekly Summary*, 10 January 1947, Document 17.
100. *Weekly Summary*, 14 March 1947, Document 21.
101. *Weekly Summary*, 24 October 1947, Document 41.
102. *Weekly Summary*, 14 May 1948, Document 77.
103. *Weekly Summary*, 9 September 1949, Document 143.
104. Communist China had recognized Ho’s government on 18 January 1950.
105. *Daily Summary*, 1 February 1950, Document 156.
106. Ibid.
107. *Daily Summary*, 25 June 1948, Document 82.
108. *Weekly Summary*, 14 May 1948, Document 77.
109. *Weekly Summary*, 12 November 1948, Document 106.
110. *Weekly Summary*, 17 December 1948, Document 112.
111. The two sets of sources appear to be at least partially contradictory. See the discussion in Zubok and Pleshakov, *Inside the Kremlin’s Cold War*, 65–69, and in John Lewis Gaddis, *We Now Know*, 77–80.

