

Donovan's Original Marching Orders

CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL
22 SEPT 93

CONFIDENTIAL

How it all began:

Thomas F. Troy

Two quotations will set the stage for this inquiry into the orders under which Colonel William J. Donovan was set up in business by President Franklin D. Roosevelt as this nation's first chief of intelligence and special operations.

The first quotation comes from Breckinridge Long, Assistant Secretary of State, 1939-1944, a man who figures no more in this paper but who was a close observer of much to be narrated here and who, moreover, kept an interesting diary. As one of three assistant secretaries working under Secretary of State Cordell Hull and Under Secretary Sumner Wells, "Breck" Long administered both the Department of State and the Foreign Service and, as he perhaps understandably complained in his diary, was responsible for 23 of the 42 divisions of the Department. This wide-spread coverage several times brought him in contact with the work of the new Coordinator of Information (COI) — the job FDR officially gave to Donovan on 11 July 1941; and Long was quick to arrive at the following characterization of this New York Irishman, military hero, and Wall Street lawyer:

"Bill Donovan — 'Wild Bill' is head of the C.I.O. (sic] — Coordinator of

Information. He has been a thorn in the side of a number of the regular agencies of the Government for some time — including the side of the Department of State — and more particularly recently in Welles'. He is into everybody's business — knows no bounds of jurisdiction — tries to fill the shoes of each agency charged with responsibility for a war activity. He has had almost unlimited money and has a regular army at work and agents all over the world. He does many things under the *nom de guerre* of 'Information'."1

The second quotation gives the other side of the coin, and quite appropriately comes from Donovan himself. With reference to a different matter than the specific one which provoked Long's outburst, and writing not in a diary but to the President, the Colonel, "angry and indignant," denounced the circulation of "the well-worn lie" that he had 90 representatives working in Latin America. He attributed the repetition of this story to an effort to prove that he had "gone into a field which you had not allocated to me." Then Donovan laid it on the line: "You should know me well enough to know that I do adhere strictly to *my orders* and make no attempt to encroach upon the jurisdiction of anyone else." [Italics mine.] 2

"My orders" ... ah, there was the rub! Just what were those orders? That was, in effect, the question that many in Washington, throughout the summer and fall of 1941, wanted answered definitely. That was, in effect, the question — as will be seen — that prompted the Director of the Bureau of the Budget twice in the first seven months of Donovan's official existence to recommend to the President that COI's area of activity be newly defined. That question, indeed, also caused Donovan himself, three months after taking office, to tell the President that their original decision to put nothing in writing was wrong. That question, in fact, has never really been answered; and it is the purpose of this inquiry to make an attempt to do so.

The answer will be sought in reconstructing three episodes in roughly the first six months of COI's history: (1) Donovan's meeting with the President on 18 June 1941 when FDR gave the go-ahead sign on COI; (2) the drafting of the order which made COI official on 11 July; and (3) the next few months when that order was implemented.

The Roosevelt-Donovan Meeting, 18 June 1941

Contrary to a common misconception, Bill Donovan was not a close friend of the President. They had been at Columbia Law School at the same time but had not known one another. They were from opposite sides of the State of New York: Donovan from Buffalo, and FDR from the Hudson River Valley. They were also from opposite sides of the socio-economic tracks; Donovan was an Irish Catholic, the grandson of immigrants, the son of a railroad yards superintendent, while FDR, the squire of Hyde Park, was a WASP before the acronym was common coin. Also, and more importantly perhaps, they were from opposite sides of the political fence; Donovan was as much a life-long Republican as FDR was Mr. Democrat. Their paths had only occasionally crossed as when, for example, Donovan unsuccessfully ran for the governorship of New York when Roosevelt was elected President in 1932. It was not, then, until 1940 that Donovan, in his fifty-seventh year, and FDR, one year older, were brought together on the same side of the tracks.

What accomplished this was Adolf Hitler and the European War he launched in September 1939. There is no need here to do more than state the common revulsion and alarm felt by both men at the prospect of Nazi hegemony in Europe and abroad. Donovan, probably because he was a private citizen, was way out ahead of the President, however, in urging all-out aid to Britain as an essential element in the defense of the Western Hemisphere. Because of this attitude, because of his prominence in Republican and national affairs, because of his recent travels in Germany, Ethiopia, and Spain, and probably on the recommendation of his good friend, the new Secretary of the Navy, Frank Knox, Colonel Donovan was sent by President Roosevelt to England in the summer of 1940 to report on Britain's chances against the expected Nazi assault. Six months later the President again sent him abroad, this time on a three-months tour of Britain, the Balkans, the Middle East, Spain, and Ireland.³

After both trips, Donovan, the President's representative who talked day after day with heads of state and their chief advisors, reported to the President — at least on 9 August 1940 and 19 March 1941. There are no good records of these conversations, but it is safe to say that Donovan, whose mind ranged over every aspect of the war in Europe, particularly singled out for the President's attention the whole range of

unconventional warfare activities that had been brought to the fore by the Fifth Column and British counter-measures. He must have given Roosevelt some idea, however brief, of his thinking on a new agency to handle "white" and "black" propaganda, sabotage and guerrilla warfare, special intelligence, and strategic planning.⁴

Donovan Proposes "Service of Strategic Information"

Eventually, probably late in May of 1941, Donovan was asked by the President to put his "proposal in writing, and this he did in a "Memorandum of Establishment of Service of Strategic Information," dated 10 June 1941. The document, which of course is fundamental in the long line of papers outlining the COI-OSS-CIA objectives and tasks, is as interesting for what it does not say as for what it does say. Since it was soon, on 18 June, to receive the Presidential stamp of approval, it is well here to take a close look at it.⁵ (Appendix A)

In a few words — 934 — Donovan laid out his argument, proceeding from general to particular, for a "Service of Strategic Information." The basic proposition was the interrelationship of strategy and information: without the latter, strategy was helpless; and unless directed to strategy, information was useless. The second proposition measured the information required in terms of total war — "the commitment of all resources of a nation, moral as well as material" — and Donovan particularly stressed the dependence of modern war on "the economic base." The third proposition was the flat assertion that despite the activity of the Army and Navy intelligence units, the country did not have an "effective service" for developing that "accurate, comprehensive, long-range information without which no strategic board can plan for the future." The conclusion was the essentiality of "a central enemy intelligence organization which would itself collect either directly or through existing departments of government, at home and abroad, pertinent information" on the total resources and intentions of the enemy.

As an example, he cited the economic field where there were many weapons that could be used against the enemy. These weapons were so scattered throughout the bureaucracy, however, that they could not be effectively utilized in the waging of economic warfare unless all departments of the government had the same information. This brief

passage will appear more important, in this inquiry into Donovan's marching orders, when we touch upon the difficulty that Donovan was soon to have with the Economic Defense Board, which considered economic warfare its bailiwick.

Another brief — and apparently deliberately vague — passage is the one dealing with radio as "the most powerful weapon" in "the psychological attack against the moral and spiritual defenses of a nation." Certainly Donovan was one of the first fully to appreciate the significance of the Nazi use of the radio as an element of "modern warfare." In this memorandum, however, he contented himself with boldly stating that the perfection of radio as a weapon required planning, and planning required information, which could then lead to action by appropriate agencies. There was no felt need to spell out the role of radio in psychological warfare and clandestine communications.

In terms of secret activities, the most revealing part of this Memorandum is not the text but the organizational chart accompanying it. Where one would expect frankness, he gets obscurity, and vice versa. Hence, the coordination of information — the main subject of the paper — is entrusted to directors of "Collection and Distribution" and of "Classification and Interpretation"; and the radio weapon is the province of the "Director of Supplementary Activities"; whereas the chart shows what the text nowhere mentions, namely, the two directors of "Mail, Radio, Cable Interception (Censorship)" and of "Codes and Cyphers." Only the "Director of Economic Warfare Material" accurately reflects its textual counterpart.

Presumably Donovan sent this Memorandum to the President on or shortly after 10 June. At least on the next day FDR told Grace Tully that he wanted to see Ben Cohen, old friend, adviser, and legal draftsman, before he returned to his London post and "also Bill Donovan."⁶ Presumably again, at least in the light of subsequent events, the President wanted to see both men on the same matter. On 13 June, Donovan told Secretary of the Treasury Henry Morgenthau, Jr., who wanted Donovan to take the full-time job of running the Treasury's Bond Drive in New York State, that he first wanted to tell the Secretary "something about the President."⁷ Again, on the 17th Donovan told the importunate Secretary that he was in Washington "today because I'm supposed to have a date this morning ..." to which the Secretary interjected the knowing "uh uh" and Donovan replied with "That's the

reason you haven't heard from me."⁸ Actually, it was not until 12:30 the next day that Donovan and Cohen, accompanied by Secretary of the Navy Knox, met with the President.⁹

What went on in that meeting? Unfortunately, there is no nice transcript of the proceedings; nor is there any indication as to how long or detailed and orderly the proceedings were. Indeed, given the reputation of meetings with the President, there could have been a good deal of what Robert Sherwood called "wildly irrelevant" talk.¹⁰ Still, there are four accounts within the first two days of the meeting, and these show that all went well for the Colonel's plan and provide us with basic information on just what the President and Donovan agreed the latter was to do.

President Roosevelt Agrees

Surely the most important is the note which the President dashed off on the cover sheet of the Memorandum and addressed to "J. B. Jr.," who was John Blandford, Jr., the Acting Director of the Bureau of the Budget: "Please set this up *confidentially* with Ben Cohen — military — not O.E.M." It was initialed "FDR."¹¹ (Fig. 1.) Thus, the President underwrote Donovan's 934 words and the chart; and then he added that the new Service was to have a military flavor and was not to be part of the Office of Emergency Management, which had been set up a year earlier as a framework for running the numerous new war agencies.

The next two accounts come from Donovan, the first directly, and the second indirectly. On the 20th, Donovan called Secretary Morgenthau in order to establish liaison with the Treasury's intelligence department and prefaced his request with this awkwardly worded explanation: "I just wanted to tell you myself that along the lines that you and I talked, the President accepted in totem (sic) ..." ¹² We shall see as we go along that Donovan was firmly convinced that he and FDR had agreed on many things that were not explicitly put forth in the original Memorandum.

Even before this conversation with Morgenthau, indeed, some time on the 18th itself, Donovan had given a more substantive briefing on the day's proceedings to a very interested observer. This was William S. Stephenson, a Canadian who was serving in the United States as His Majesty's Director of British Security Coordination (BSC); actually he was

the head of British intelligence in this country. Moreover, he had played a major role in persuading Donovan to recommend and take on the job of running America's first foreign intelligence establishment. Donovan, with a Presidential mandate in his pocket, so preoccupied as to forget to call the impatient Morgenthau, and hustling off to New York on a 3:30 flight, nevertheless found time to talk with Stephenson, who that night cabled London: "Donovan saw President today and after long discussion wherein all points were agreed, he accepted appointment. He will be coordinator of all forms [of] intelligence including offensive operations equivalent SO-2 [sabotage]. He will hold rank of Major General and will be responsible only to the President." Here at last is a direct statement of Donovan's function as an intelligence chief; what is meant by "all forms [of] intelligence" must be gathered from Stephenson's own organization, which he had in mind in his dealings with Donovan, and BSC was responsible for "secret" intelligence, counterintelligence, propaganda, and "special operations." Here also is the first reference to Donovan as Major General, a promotion which, as we shall see, the military managed to forestal¹³

The last fresh account comes indirectly and largely from Ben Cohen, but it also reflects John Blandford's understanding of what the President wanted done. Cohen had been directed, on the 18th, to work with the acting director of the Bureau of the Budget, who, in turn, was personally directed on the morning of the 19th to work with Cohen. Consequently, later that morning Cohen met with Blandford and two of the latter's subordinates, Donald C. Stone and Bernard L. Gladieux. It was Gladieux who summarized the conference.¹⁴

Three paragraphs are particularly worth quoting, because they shed additional light on what the President had discussed with Donovan. The first raises a subject which may surprise the modern reader, who is accustomed to CIA's absorption in foreign activities

"Cohen has tried to keep the [domestic] morale function separate from strategic information. However, the President has apparently been struck by the thought that Donovan might take the morale job on temporarily or at least for exploratory purposes. He will cooperate with La Guardia on the morale and propaganda aspects. At least we do not need to take La Guardia and his activities into account in setting up this service."

This, of course, is not the place to tell the story of the establishment of the Office of Civil Defense, and of the appointment and activity of New York's Mayor Fiorello La Guardia as that Office's first Director. Suffice it to say that "the morale function" and civilian defense had long been bruited about in the upper echelons of the government as needs that the President had been slow in satisfying, Donovan, along with others, had been considered for the job, although he may or may not have known it. Even so, Donovan apparently took quite readily to the idea of responsibility for domestic morale, inasmuch as his concept of what needed to be done was not, at least at this time, divided into the foreign and domestic fields. This was total war, and there had to be unity in the response. Hence, his memorandum of 10 June had spoken of his proposed "central enemy intelligence organization" collecting information directly or indirectly through other government departments "at home and abroad"; and, as will be seen, he had the same unified approach to the subject of economic defense information.

Conflict with New Economic Agency

This can be seen, albeit dimly, in the next two paragraphs from Gladieux; these raise the question of the relationship between COI and a new agency to handle economic defense, which, like civilian defense, had long been agitating some of the President's advisors. Wrote Gladieux:

We were particularly concerned about the relationship of this new agency to the Office of Economic Defense, since so much of the strategic information required will relate to economic defense problems ... Cohen believes that there is nothing here to interfere with the setting up of the economic defense agency. He believes, however, that the Office of Economic Defense would get much of its information from this service.

Even so, Cohen was worried; in the next paragraph: "Cohen agrees that it would be unfortunate if this proposal were to preclude the establishment of the Office of Economic Defense, and thinks that the present Economic Defense Order should be approved." It was; six weeks later, on 30 July, the President signed the order establishing the

Economic Defense Board (EDB) ; and what kind of functions were given this organization whose future was at one time put in doubt by the appearance of Donovan's COI? The list is impressive, if one thinks of them as somehow subsumed under the umbrella of the Coordinator of Information: advise the President on economic defense measures; coordinate the government's activities in this field; develop integrated plans and programs for coordinated action by the agencies of government; advise the President on the relationship of economic defense measures to *postwar economic reconstruction*; and review and recommend economic defense legislation. As late as the day FDR signed the EDB order, Gladieux was reporting that Vice President Wallace, who was to head the Board, wanted to know how Donovan's plans for "extensive economic defense activities" squared with EDB's charter.¹⁵

In conclusion, then, our earliest accounts of FDR's meeting with Donovan on 18 June show the President endorsing the appointment of a "Coordinator of Strategic Information" with a vaguely-worded mandate to coordinate information, do something with radio, carry on all forms of intelligence including sabotage, have something to do with domestic propaganda, and to be somehow involved in economic defense matters. This vagueness of function did not bedevil the drafters of the COI charter, simply because the President and Donovan had apparently agreed to put precious little in writing. How little was put in writing we will see when we review the drafting of the order.

The Drafting Stage: 19 June - 3 July 1941

The business was in the hands of Cohen and the men from the Budget Bureau — Blandford, Stone, and Gladieux — and was coordinated chiefly, if not solely, with the military, especially the Army, and of course with Donovan himself. The process of drafting lasted from 19 June to 3 July when the drafters' handiwork was forwarded to the President for approval and signature. It would be most useful if the surviving documents showed clearly all the changes that were made and by whom they were made; as it is, the record, while instructive, is incomplete.

The process began with a "Brief Outline of a Service of Strategic Information Based on Memorandum Submitted by Colonel Donovan."¹⁶ There is no need to recapitulate this, except for one point, because it is

basically a re-organization of Donovan's paper in terms of an order to be signed by the President and also because all the items will show up more clearly as the drafting process is reviewed. The one exceptional point is the relatively lengthy gloss on the six units which, according to Donovan's chart, were to be set up in COI. This gloss adds a few words which must have emanated from the Roosevelt-Donovan meeting. Mail, radio, and cable interception required a special unit "because of the need of especially close and immediate cooperation with the radio and postal authorities"; and the "specialized character" of codes and cyphers also required a special unit. So also with "A Unit of Economic Warfare Materials" which was being set up to provide all agencies concerned with such warfare "the widest and most comprehensive range of informational materials"; it was pointed out that the Coordinator would not coordinate such activities, "but his work should greatly facilitate such coordination." The supplementary activities unit would handle activities "not now being covered by any service or department"; and these activities "would probably involve principally activities in foreign countries calculated to assist friendly elements and to retard and undermine hostile elements. Such activities necessarily would have to be conducted along unorthodox lines, but with the greatest possible circumspection."

Perhaps the most interesting aspect of this review of the six units is that no mention of the business of intercepting communications, of codes and cyphers, of economic warfare, or of the delicate nature of special operations will appear in the writing and re-writing of the Presidential order. We cannot go on to that work without first calling attention to the pious hope with which it ended: "The work of the Service should not require an unusually large staff. ..."

Actual drafting began with two drafts, testing whether the final order should be an Executive Order establishing the agency in the Executive Office of the President, or a Military Order designating Col. Donovan to perform certain functions. The former established a "Strategic Information Service" in the President's Office, based the order on the President's authority as derived from the Constitution and the statutes of the United States, and did not specifically mention Donovan. According to the Military Order, "Colonel William J. Donovan" was "hereby designated as Coordinator of Strategic Information," and this was done by virtue of FDR's position as President and Commander-in-Chief. Under both orders, Donovan had the same three functions: (1) to collect, review, and analyze information bearing on "national defense strategy"; (2) to

interpret and correlate such "strategic" data and to make it available to the President and other agencies of the government; and (3) to carry out, when requested by the President, "such supplementary activities as may facilitate the securing of strategic information not now available to the Government." Incidentally, these "supplementary activities," about which there was no argument, referred to the open collection or purchase through agents of information to be used in conducting a psychological counteroffensive, and to subversion and sabotage to be carried out in wartime against the Axis military, political, and industrial machine; the term did *not* refer to a worldwide secret intelligence service, which, as a matter of fact, Donovan did not undertake to establish until so requested by the Army and Navy in September 1941. Finally, both orders provided that other agencies would make available the data required by the Coordinator, and that the Coordinator could appoint such advisory committees as he thought necessary.

In following these preliminary drafts through to the final paper, it may help the reader to single out beforehand the recurring problems as well as the "nonproblems." In this last category, the provisions for ensuring access to data and the appointment of advisory committees caused no problems; this is also largely true of the three functions except as their description was tailored to ease a concern of the Army's. What did bother people were: the type of order, the name of the new service, the kind of reference to Donovan — his name, title, his status as civilian or military — and the relationship to the military services.

While it now is anybody's guess, it appears that Blandford and his associates made a choice as between the two orders and then submitted that choice, a Military Order, to Ben Cohen on the 23rd. (Fig. 2) On that day Blandford and Cohen revised the document, and on the 24th Blandford sent his co-worker several clean copies of the revision.¹⁷ The chief, and perhaps only substantive, revision may have appeared to them as half style and half the necessity of establishing the military character of Donovan's position. Instead of starting out with "Colonel William J. Donovan is hereby designated as Coordinator of Strategic Information," the revision began, after the preamble, with "There is hereby established the position of Coordinator ...," and was then ended with this brand new line: "William J. Donovan, United States Army, is hereby designated as Coordinator of Strategic Information." The military, however, were soon to knock out the "United States Army," as well as other military aspects of the Order. Indeed, the Army was to strip it of any military character.

To see how that happened, we must turn our attention away from the draftsmen to Colonel Donovan and some of the top people in the Army and Navy. On Friday, the 20th of June, Secretary of the Navy Knox informed Henry L. Stimson, the Secretary of War, that the President was "going to appoint Donovan as coordinator of all military, naval, and other intelligence," and that he, Knox, favored it. Stimson, an old friend of Donovan's, a person who enjoyed discussing the military strategy of the current war with him, noted in his diary that "I told him [Knox] that I was inclined to favor it because I trusted Donovan."¹⁸ Two days later, on a Sunday afternoon, Donovan talked with Stimson about what the latter described as Donovan's coming appointment as "Coordinator of Intelligence." They talked for two hours; Donovan explained his plan; Stimson read "his analysis of what he intended to do," and noted that "I think there is a good chance of very useful service." Stimson further observed that he was "particularly glad that the President has landed on a man for whom I have such respect and confidence as Donovan, and with whom I think we can work so satisfactorily in respect to our own intelligence branches in the Army and Navy."¹⁹ Trouble and doubt, however, lay just ahead — two days, in fact.

Marshall Objects

On 24 June, Stimson had an early conference with his Chief of Staff, General George C. Marshall, who then told him "about a subject which has evidently been worrying him very much and making him extremely angry." That, of course, was Donovan's appointment as "Coordinator for Intelligence." Here it must be interjected that for three months there had been considerable talk within the services, the FBI, State, and other agencies that Donovan was pushing such a project, and there was unanimity among the concerned agencies that such an eventuality ought to be sabotaged. It is, in fact, interesting to note that FDR, in making his decision to set up Donovan as COI, did not consult any of the interested parties, with the possible exception of Donovan's friend at court, Secretary of Navy Knox. Hence, when Marshall is described as having been "worrying very much," it is reasonably safe to assume that he had long been familiar with the rumors circulating in the corridors and that the announcement of the fact simply brought things to the proverbial head. Be that as it may, Stimson tried to re-assure Marshall that "the project did not seem to be so bad." He chewed the matter over

in his diary:

But it has come to Marshall evidently in the wrong end to, and he saw behind it an effort to supplant his responsibilities and duties in direct connection with the Commander-in-Chief. There is certainly a danger in this proposition in case both men are not tactful and fair to each other but I think it probably can be avoided — those risks I mean — and certainly the proposition of checking up the Intelligence which we get from our military G-2 and Navy Information Service [sic] ought to be accomplished. I mean there are many economics and other bits of information through the world which would bear directly upon the military intelligence and its accuracy which comes to us. I afterwards had a talk with Knox about it. He of course is a close friend of Donovan and he is very hot for the project and thinks that it is all wrong to be suspicious of it.²⁰

Marshall must have gotten his point across, as is shown by the following quotation from Stimson's diary for 25 June; it is a long one, but the reader will surely find it interesting:

Either this morning or yesterday Marshall came in to voice his objections to the Donovan proposition and they were very vigorous — relating to the danger of giving to any other military man than the regular channels access to the President with military information. I had been thinking of the matter myself and had come to the conclusion that, although the purpose of getting a collection of economic, political, and other information available to check off against our present G-2 information was a very laudable and fruitful project, yet this plan of Donovan's may be not the right way to do it. So, when a little later Benjamin V. Cohen came in to see me at the suggestion of the President with a draft Executive Order for my examination and criticism, I looked at it with care and worked the thing out in my own mind, with the result that I finally told Cohen that I thought it was such bad planning from the standpoint of military administration that I should not favor it unless Donovan was kept in a purely civilian capacity; that I disapproved wholly of having him made a Major General simultaneously with this assumption of this position of Coordinator of Information. The proposed draft was full of language treating the function as if it were a military one. I told

Cohen that this plainly resulted in giving the President two Chiefs of Staff; one, the regular one and one, an irregular one, because no military man could go to the President with military information without giving at the same time some views in the nature of advice based upon that information. I told Cohen that I thought the thing might be worked out if the Coordinator were kept purely as a civilian. I told him also that I was a friend of Donovan's and that I sympathized with his ultimate ambition to get into the fighting if fighting came and that I would have no objection to recommending him at that time as a Major General; but that I was wholly against combining in his person the function of being a Major General and being a Coordinator of Information.

Cohen seemed to realize the strength of my argument and said he would go over it and take the military phrases out. I suggested particularly that they should also add a phrase to the effect in substance that nothing in the duties and responsibilities of the Coordinator of Information should in any way interfere with or impair the duties and responsibilities of the regular military and naval advisers to the President as Commander in Chief of the Army and Navy.

Later in the morning I called up Knox who had been very warmly seconding this project to put Donovan into this position and I told him of my views on the subject as thus expressed. Knox, who had been quite rampant on the subject in favor of immediate action on behalf of Donovan saw my point and cooled down.²¹

The Navy Secretary may have "cooled down," but he did not remain quiet. The same day that he talked with Stimson — whether before or after is not known — he asked the President to send a letter to Secretaries Hull, Morgenthau, and Stimson and to Attorney-General Jackson "outlining just what the Coordinator of Strategic Information will do." He explained that all those regular departments "have their hackles up over the danger that somebody is going to take something away from them." He also indicated that he had "already encountered some misunderstandings in the Navy Department over the premature publicity given out concerning Bill Donovan's new job." Nor was he "able to completely convince the Navy people that the major project" the President had in mind "was one of coordination, analysis and digestion

of information procured from various Departments." Finally, he expressed the thought that the letter he proposed would "make it a good deal easier for Bill when he gets on the job." ²²

Three days later, FDR asked Harold D. Smith, the Director of the Budget, "to do the necessary for my signature."²³ But before pursuing that matter let us return to Ben Cohen as he left Stimson and went back to his office and the Budget Bureau to revise the military order to make Marshall and Stimson less unhappy with its character and provisions. (Figs. 3A, 3B.)

Ben Cohen's Revisions

First of all, it remained a Military Order, but eleven times Cohen struck the word "strategic" from the document, and replaced it, depending on the context, by "defense" or "national security." This changed Donovan's title to "Coordinator of Defense Information" and related his activity to "national security" rather than the "hard" subject of military strategy. He did retain the line that the Coordinator "shall perform his duties and responsibilities, which include those of a military character, under the direction and supervision of the President as Commander in Chief of the Army and Navy of the United States," but he added the sentence requested by Stimson, namely, that nothing in those duties would in any way interfere with "the duties and responsibilities of the regular military and naval advisers of the President as Commander in Chief ..." As we shall see, only this last sentence actually survived.

The Budget Bureau cleaned up the paper, and on the 27th returned a copy to Cohen and sent other copies to both Stimson and Knox. In the letters to the Secretaries, Blandford said he understood that the drafts were to be used "as a basis of discussion with your associates ... over the week end." He hoped that the order could be put in final form for the President when he returned from Hyde Park early the next week. He was, however, to be disappointed.²⁴

For almost a week, Secretary Stimson, General Marshall, and Assistant Secretary of War John J. McCloy continued to chew over the subject. On Monday, the 30th, when FDR returned to Washington, Stimson was noting in his diary that the Donovan business was "a troublesome matter even with the best of luck. I am afraid of it." That evening he told

the President on the telephone that he had decided "it would be a great mistake" to set up the COI with Donovan as a military man. As a civilian, yes, but Stimson asked the President to do nothing about it until they had a chance to discuss it.²⁵

The next morning Stimson had a long talk with Marshall again — at least the third, possibly the fourth — and his brief account leaves us with unsatisfied curiosity. He said he explained to the General "how important it was for his own — Marshall's — sake that there should not be a sharp issue made on this."²⁶ May one not conclude that Marshall continued to express Army opposition to the very existence of COI? Certainly he remained very hostile to the idea.

Stimson spent "a good deal of the morning and afternoon" of the next day, 2 July, talking over the matter with both the General and Assistant Secretary McCloy, and finally arranged to see Donovan the next morning at 8:30 in order to "settle the thing one way or another." It was surely bothering him: "It is a terrible nuisance to have this thrown on me at this time but it is so important that I have got to settle it in the right way."²⁷

For a change, that was not going to be difficult. When Stimson and McCloy, but not Marshall, met at 8:30 with Donovan, "everybody was fair-minded." They "very quickly" agreed on "the general principles and what should be done." Donovan said he had thought from the beginning that his position was essentially and entirely a civilian one; that he had taken up the "point of rank of Major General because the President had suggested it." Either then or later in the conversation, Stimson offered to recommend Donovan for Major General any time he "wanted to fight"; indeed, if Donovan wanted to do it now and give up COI, he could have "one of the most difficult positions" in the Army, specifically, command of the 44th Division. The Colonel admitted that he was interested in developing a theory of guerrilla warfare which he had but that he preferred now to stay with the information job, "make something real out of it," and then turn to fighting and a commission later.²⁸ A lesser man than Stimson — might, at this time, have been suspected of attempted bribery!

But back to the meeting. Donovan also agreed to a "diagram" which Marshall had drawn up and given Stimson and which McCloy had now brought forth; this showed "the relation of the different positions to each other in the hierarchy of the War Department." Stimson's diary is

unclear, but apparently this diagram showed that "the routine channels for the recommendations as to intelligence and information were to be coordinated by Donovan as they came" from the collectors — the Army, Navy, etc. — and then should go up through the channels, through the Joint Board and then through the Chief of Staff and the Chief of Operations of the Navy, the Secretary of War and the Secretary of the Navy, to the President." Even so, all agreed that Donovan had to have access to the President whenever he desired it, because it "was necessary to his position, and the President's temperament and characteristics" would make it inevitable.²⁹

Agreement at last. Later the same day Colonel Donovan met with Ben Cohen and the Budget Bureau's trio — Blandford, Stone, and Gladieux — to finish the paperwork. The "final revised draft," however, had not been returned by Assistant Secretary McCloy, who apparently was still discussing it with Stimson. The Bureau had hoped to receive the paper in the afternoon, clear it, and "send it immediately to Hyde Park."³⁰

Donovan Outlines his Plans

Pending the paper's return, Donovan elaborated on his needs and his plans, but only those remarks which bear on his orders will be noted here. The point has been made that, while the main thrust of Donovan's work was aimed at the foreign field, he did not think in terms of a clean distinction between foreign and domestic. Hence, his concept of a system for the coordination of information envisaged "various operating sections," apparently in Washington but also "applying] in zones throughout the country," feeding information into "a central clearing section." Also in connection with this function, he planned to have the Librarian of Congress work in liaison with "all libraries and scholars of the country"; the University of Chicago was to be "the map-making unit of the Coordinator's Office."

On a second point, Donovan explained the offensive side of his work, broadcasting to Europe, in which incidentally Robert Sherwood and William Shirer were to be used because of — according to Gladieux' account of Donovan's remark — their knowledge of the grammar requirements! "Psychological warfare," said Donovan, "will be started on all fronts"; did he mean the domestic front also?

On a third point, "The President expressed his desire to Donovan," wrote Gladieux, "that he set up a Committee on 'economics of the future'." Donovan was not, however, to have easy sledding on this subject.

Some time later on the 3rd McCloy's draft was returned to the drafting crew. Some significant changes had been made. The "Military Order" was now just an "Order." So also, the "Coordinator of Defense Information" was now just the "Coordinator of Information." The COI, instead of making his information available "to the President and to such other officials as the President may determine," now sent his productions "to the joint Planning Division of the Joint Army and Navy Board, and to such departments and officials of the Government and other officials as the President may determine." Surely, Donovan must have hit the ceiling when he saw that insertion! Again, the COI was to carry out his supplementary activities "when requested by the President, the Secretary of War, and the Secretary of the Navy. ..." The sentence about the COI performing his duties, "which include those of a military character," under the President as Commander in Chief, was excised; and there was left standing in that paragraph only the guarantee that the COI would not interfere with the President's regular military and naval advisors. In the last paragraph a subtle difference must have been intended when "William J. Donovan, United States Army," was changed to "Colonel William J. Donovan" and "designated as Coordinator of Defense [sic] Information."

Donovan and the others apparently quickly went to work on these changes. The "Order" was now eliminated, so now there was no indication what was being issued! They accepted elimination of "Defense" from the title of the new post. They excised the wholesale insertion of reporting to the joint Planning Division and responding to the requests of the President and the Service Secretaries. They accepted McCloy's Paragraph 4. (See Figure 3 above.) Finally, it was just "William J. Donovan" who was designated COI. The job was clearly not military.

The Final Version

The wrap-up must have gone quickly; for, still on the 3rd, Harold D. Smith, the Director of the Bureau of the Budget, sent to the President the finished product and a proposed statement for the press.³¹ In his

letter Smith observed that since the appointment rested on the President's authority as Commander in Chief, "it should be issued as a Military Order." Be that as it may, it appeared officially, and so it appears today, simply as an undenominated Presidential act "Designating a Coordinator of Information." (Appendix B)

On the second point raised by Smith there is no ambiguity or room for argument:

While both the Army and Navy objected to our original title for Colonel Donovan of Coordinator of Strategic Information or Coordinator of Defense Information, I think either of these titles is preferable to the one used in this Order as now presented. "Coordinator of Information" is vague and is not descriptive of the work Colonel Donovan will perform.

The statement which Smith had readied for the press was a combination of three bland and one strong announcements. The first simply iterated the functions of COI as the collection, assembling, and collation of data bearing on nation] security and the fulfillment by Donovan of such extra activities as the President might from time to time request of him. The strong assertion was the assurance given the General Staff, the regular intelligence services, the Federal Bureau of Investigation, and all other government agencies that Donovan's work "is not intended to supersede or to duplicate, or to involve any direction of or interference with" their own activities. This was also intended to blunt the expected opposition of some Congressional critics of the Administration.

The line about the extra activities Donovan might be asked to render caught the attention of FDR's press secretary Steve Early before he passed it on, and so he wrote the President: "Is this sentence necessary? It won't be clear to many and will lead to much questioning." Harry Hopkins agreed "with Steve that [the sentence] should be eliminated from [the] release."³²

Smith's letter to the President also stated that his Bureau was preparing letters to the various departments requesting their cooperation with Donovan, as Secretary Knox had asked several days earlier. This letter, which was sent to 16 departments on 14 July — three days after COI was officially established — reiterated the points made in the press release, that he was going to coordinate data and not going to upset anybody else.³³

Although the work of drafting was completed on the 3rd, it was not until the 11th that the President actually signed the document. There is no indication of the reason for the delay, and it is assumed here that simply the press of the Presidential calendar accounted for it. There had of course already been some public expectation of a forthcoming announcement, and the coverage in the New York Times provides us with a contemporary view of what COI looked like. On 6 July the Associated Press reported that Colonel Donovan was "slated for a big post." The only clue to its character was "the reports for some time that ... Donovan would head a new anti-spy agency." According to these reports, Donovan was to "coordinate a staff of investigators" in the justice, Treasury, State, and military and naval departments. The rest of the article tied the expected job in with spies, the FBI case load, and Donovan's own investigations of the Fifth Column the year before.³⁴

On 9 July the Times' own staff had a better grasp on the shape of things to come. It had a name which had never been contemplated, however — "Coordinator of Intelligence Information." It did know that the new job was to be "without precedent in the government's operations," and was well-informed enough to know that his duties were "sufficiently elastic to take in such future possibilities as counterespionage operations and, perhaps, direction of some economic programs." His primary task, however, was to take other departments' reports and present them to the President in unified and manageable form.³⁵

Even on the 12th, the Times could not get the new post properly titled: now it was the rejected "Coordinator of Defense Information." Donovan's "relatively small staff" was to "supervise" and "digest" reports for the President. He had told associates that "the scattered reports which came to his desk often were hopelessly confusing."³⁶

In concluding this second portion of our inquiry, it must be clear that as far as clarifying the content of Donovan's original instructions from the President is concerned, the process of drafting the order of 11 July 1941 added nothing to the knowledge either of the drafters themselves or of us who now read the record. The decision to put nothing in writing meant, of course, that the resolution of many uncertainties and ambiguities would not take place in the drafting but would, in effect, simply be pushed under the rug to be turned up later as people went about the business of handling the many irons Donovan had in the fire: coordination of data, counterintelligence, subversive action, sabotage, all

kinds of foreign and domestic propaganda, economic warfare, economics of the future, and a few sleepers which had not yet surfaced — planning military strategy, and "the writing of the peace! "

Organizing COI: July-September 1941

With the issuance of the 11 July order, Donovan could now intensify his organizational activity. He had, of course, already had numerous discussions with prospective colleagues on the job he was to do and the structure that would be needed. He was certainly in touch with the head of British Intelligence, William S. Stephenson, on organizing clandestine activities. He had already agreed with the dramatist, the presidential speechwriter, Robert Sherwood, on setting up what became the Foreign Information Service. He had met with officials of the Library of Congress on drawing on the resources of the American academic community for the research and analysis job.

It was not, however, until he and his associates had entered on a new phase of their negotiations with the Bureau of the Budget, that is, on setting up COI, that specific jurisdictional conflicts with other agencies began to take shape. This occurred on 16 July when Donovan and his colleagues — Sherwood, Atherton Richards, Thomas G. Early; and Ernest S. Griffith, the Director of the Legislative Reference Service of the Library of Congress — held three conferences with Budget officials to outline their plans and to obtain necessary guidance from the Bureau on organizational necessities.

These conferences began the laborious process of defining functions, drawing organizational charts, establishing budgets, fixing salaries, renting space, and purchasing equipment. Of course we are not going into these ramifications of the early history of COI; they would carry us well beyond our narrow concern with the content of the agreement reached on 15 June by Roosevelt and Donovan. This organizational development is but the context out of which we must pluck the indicators of Donovan's understanding of his assignment.

These indicators first show up in the reports of the 16 July conferences which were written by William O. Hall, the Budget officer who handled COI matters extensively and who will be quoted frequently in the next several pages.³⁷ We will single out from Hall's memoranda three topics

which raise the question of Donovan's area of jurisdiction: "the morale function," postwar planning, and economic warfare.

The business of morale, as has been mentioned, had long been agitating many of Roosevelt's top advisors. For them some organization and activity were needed. La Guardia and the Office of Civilian Defense were finally settled upon, but the boundaries of activity were apparently clear in nobody's mind, least of all the President's. Hence it was that on the 16th the subject of morale came up in a discussion of COI's need for "country experts," and in that connection the name of Robert Lynd, the author of *Middletown* and *Middletown in Transition*, was mentioned. According to Hall, Griffith of the Legislative Reference Service then "stated that he (Lynd) was an authority on domestic sociological problems, but that he had no knowledge in the foreign field." Hall then adds:

Donovan stated that this would fit very well into the President's plans. The President has told Donovan that he is to investigate the state of domestic (U.S.) morale and formulate plans for the domestic morale program. These plans will then be forwarded to Mayor La Guardia (civil defense) for execution. Accordingly, Griffith should plan to set up a Domestic Morale Unit and Lynd would be a good man to head that unit, according to Donovan.

So much for the time being for COI's morale function; let us turn to the second topic singled out: postwar planning. This is another large topic that had been agitating people inside and outside of the government. The thinking ran roughly like this: in 1919 Versailles had not ushered in a new world; instead, the settlement simply generated and aggravated economic conditions which made another war inevitable; now, in 1941, history must not be allowed to repeat itself; therefore, a start must be made on planning the economic rehabilitation of the world once Nazism has been destroyed. The big question was who should do the planning, and how he should proceed. Donovan clearly had thoughts on the matter. Hence, on the 16th, Atherton Richards, who was then apparently slated to head COI's economic division, a major component, was asked by Donovan "to state the needs of his unit for postwar planning." Richards, an Hawaiian-born businessman admittedly without experience in government research, was not too clear on his requirements; he did know that the chief of the division would get \$9,000 per year, two assistants would each get \$7,500, and nine special assistants would be hired at \$6,500 each. What is most significant from our point of view is

the fact, however awkwardly stated, that "these men would be assigned on the basis of general divisions of our economy to developments in the various departments and agencies in postwar planning and to coordinate the efforts of government, industry and labor."

The third topic, economic defense and economic warfare, was just as large as the other two, and Richards was no clearer on this than on postwar planning. "After discussion with Colonel Donovan ... concerning the possibilities of economic warfare organization," wrote Hall, "Richards stated that further amplification of his estimates for the Economics Division would be necessary." Hall himself did not appear to be too clear on just what "economic defense" and "economic warfare" actually were, but this is not surprising inasmuch as there was considerable confusion on just what the government should do at one and the same time to aid Britain economically, deny economic resources to the Axis, sustain the American economy, and still mobilize the economy for preparedness and, if necessary, war. Hall, after hearing Sherwood's explanation of his propaganda activities and needs, thought immediately in terms of economic warfare because "any activities in propaganda warfare must be directed at economic objectives." As will be seen, Donovan's interests in economics was considerably broader than propaganda. Anyhow, Hall concluded that "Sherwood's activities must be closely coordinated with the economic warfare agency, whether it be OED [Office of Economic Defense] or State-Treasury-Commerce-Export control, Federal Loan or Federal Reserve." Hall had another worry on his mind: except for Sherwood, Donovan's staff did not strike him as "particularly able;" and Donovan had "a tendency to commit himself too quickly on personnel and financial arrangements"; worse still, found Hall, a 27-year-old administrative officer, the 57-year-old Donovan "probably lacks the general background which should be present in the person directing the propaganda and economic warfare activities."

Budget Bureau Concerned Over Conflicts

Within two weeks; the Bureau of the Budget was sufficiently concerned by the tendency of COI to "impinge so directly upon a variety of activities of existing agencies," that a memorandum for the President was prepared for the signature of the Director, Harold D. Smith.³⁸ While the document was apparently not sent, it still succinctly summarizes some Budget worries that were to persist. First of all, Donovan's request for

\$10,000,000 for the first year could not be reconciled with "the original proposal for establishing the office." Secondly, Vice President Henry A. Wallace, who was about to be named chairman of the newly-established Economic Defense Board, wanted Smith of the Budget to take up with the President the extent to which he wanted Donovan to "enter the economic defense field;" it was clear to Wallace that Donovan was "planning to carry on extensive economic defense activities ... with particular reference to the assembly and correlation of information and plans." Thirdly, what about morale? Donovan "is planning a Public Relations Division to deal with problems of domestic information and morale as related to the coordination of strategic information and foreign propaganda;" so how does this square with La Guardia's authorization "to conduct domestic morale programs?" Fourthly, Donovan "is organizing a staff to develop original data on strategic situations in foreign countries," and this "will in some measure duplicate" State, War, and Navy activities. Smith then asked a question which seems to echo the Times' expectation that Donovan was to "supervise" and "digest" other department's reports for the President: "To what extent should [Donovan] ... develop such original research reports?"

Whatever the reason was for not forwarding this memorandum to the President, it certainly was not lack of concern on the part of the Budget Bureau. Before August was out, Hall wrote his boss, Bernard L. Gladieux, a memorandum on "Functional Confusion" in COI in which he outlined five areas of conflict with other agencies, cited the causes, and suggested some "correctives for the situation."³⁹ As might be expected, the domestic defense effort and postwar planning were two areas of conflict: here COI was seen to be running into the Reconstruction Finance Corporation, the National Resources Planning Board, the Office of Price Administration and Civilian Supply, the Office of Production Management, and, of course, the Economic Defense Board. A third area, research on propaganda and undercover activities in South America, wrote Hall, had been "assigned to Nelson Rockefeller," the Coordinator of Inter-American Affairs. A fourth area was "the coordination of domestic counter-espionage and counter-subversive activities programs" which had been "assigned" to the Federal Bureau of Investigation. It is the fifth area which may strike the reader as the most remarkable function which Donovan allegedly thought was his, namely, "the writing of the peace." which, wrote Hall, had been "assigned" to the Department of State and the EDB. On the margin of this memorandum Gladieux wrote and initialed this most interesting indirect quotation: "Milo Perkins [EDB's

"most able, adroit, and energetic"⁴⁰ executive director] told me that Donovan claims the President told him to 'write the Peace' [sic], and he certainly is proceeding accordingly." We will see more of this function when we come to consider Hall's subsequent and much longer memorandum of 11 September on COI's conflicts with other agencies.

All this confusion was attributed by Hall to the "general character" of the 11 July order, to the "oral instructions to ... Donovan from the President, with which we are not familiar," to the "conflicting newspaper reports and ... rumors" about COI's functions, and to the use of the President's son James as the COI's Liaison Officer with the defense agencies. The 11 July order certainly was not helpful, and the "oral instructions" we do not know to this day. The President's son James was detailed by the Navy, run by Donovan's very good personal friend Frank Knox, to work with Donovan; just how this was accomplished we do not know, but Hall cannot be far wrong when he observed that the young Roosevelt made "it possible for Donovan's assistants to gain entre [sic] to any of the defense agencies." Certainly there was confusion both inside and outside the government; the press thought Donovan was going to "digest intelligence reports;" one Senator denounced COI as an OGPU or Gestapo; Assistant Secretary of State Adolf Berle warned Under Secretary Welles against Donovan making foreign policy with his propaganda service; elsewhere in State, Secretary Hull was being warned that Donovan's activities in the field of postwar planning would result in "an intermingling of war and post-war problems;" and the Administrator of Export Control was telling his staff that "if rumors are true that he [Donovan] is going to take over the La Guardia office, he will be pretty busy."⁴¹ This last comment reminds us that Donovan intended, indeed, to be "pretty busy," and that the vigor with which this dedicated man, armed with a Presidential mandate, embarked on a varied program dear to his thinking and heart undoubtedly sowed both confusion and apprehension among settled bureaucrats and able newcomers in other agencies.

Hall's "suggested correctives" for the situation were two: "a letter or confidential order from the President to Donovan setting forth in clear terms the area in which he is to function;" and "a competent administrative assistant" to end COI's internal confusion which Hall also found troublesome but with which we have not been concerned in this paper. Gladieux made a second note on this memorandum, and it is another "corrective" for the situation: "Consolidate him [Donovan] with

the Economic Defense Board." This recommendation is, retrospectively, most significant as probably the first written suggestion that the newly-born COI be aborted; the suggestion was to recur, in one way or another, to such an extent that one can almost say that COI's major success was to have survived.

It may be appropriate here to stress the fact that COI was an unwanted child. The Army, the Navy, the Department of State, and the Federal Bureau of Investigation had made it quite plain to the President that they saw no need for such an organization.⁴² There was also no rush on their parts to channel their information, per the 11 July order, into COI in-boxes.⁴³ This uncooperative attitude makes quite plausible Stephenson's claim that his organization provided COI, before Pearl Harbor and for several months after, with the "bulk" of its secret intelligence.⁴⁴ The other side of the coin of hostility to supplying Donovan with information was Donovan's own strong determination to get control of that information. His memorandum of 10 June, and indeed the very vagueness of the 11 July order — with its sweeping authorization "to collect and analyze all information ... which may bear upon national security" — show how much stress this omnivorous reader, this corporation lawyer, this military strategist placed upon a mastery of data. What is probably more relevant to some of the opposition encountered by Donovan is the fact that he did think of information in terms of strategy and was, perhaps, even more interested in the use to which information was put than in the possession of it for its own sake. Moreover, if information was the basis of strategy, strategy had meaning only when it was put into action; and Donovan really wanted to lead troops into battle. Donovan was an activist, and it is, therefore, not surprising that his eagerness to take the mass of new and old information pouring into Washington and convert it into meaningful intelligence which could give direction and strength to military, political, economic, and — psychological warfare against the Nazis should bring him smack up against all the monarchs who reigned over domains of knowledge.

This comes out clearly in the memorandum which Hall wrote on 11 September; it is his longest — five pages, single space — and details no less than eleven areas in which Donovan is allegedly exceeding his Presidential authorization, and only two in which he is doing what is his to do! Again, we cannot go into the merits or the details of these issues; we can only single out the indicators of the Donovan agreement with

The first brings us back to the La Guardia situation; the Office of Civilian Defense was about to give birth to an off-shoot — the Office of Facts and Figures, which was soon to be headed by the poet and head of the Library of Congress, Archibald MacLeish. Until that situation became clear, however, Donovan, according to Hall, "proposes to report to the President and the public" on: production for military and civilian needs, American public opinion, the attitude of the American press toward the defense effort and the administration's foreign policy, the attitude of U.S. foreign press, and foreign press opinion.

The second is "writing the peace." Hall writes of Donovan "in his original plans stressing the preparation of `the blueprints for a new world order'"; where Donovan did this, however, this writer has not discovered. On the same point, Hall wrote that Donovan's chief of research and analysis, James P. Baxter, III, "stated confidentially that Donovan would like to undertake another `peace inquiry' like the one directed by Colonel Haise" [sic] at the end of the last war.

Next are four areas in which Donovan's research and reporting activities cause trouble. On Latin America, Donovan's plans caused Rockefeller's people to fear not only that their area was being usurped, but also that they were expected henceforth to obtain all their information from COI rather than directly from State, War, Navy, Justice, and Commerce. On the domestic defense production effort, Donovan planned a unit so as to be able to report "to the public and the President." On a related point, Donovan was described by Atherton Richards as feeling "that one of his responsibilities to the President is reporting on the status of organization for defense ... on organizational and functional weaknesses;" Richards "anticipates that Donovan will at times recommend changes in the over-all defense organization." Despite conferences with Milo Perkins, wherein he and Donovan presumably reached agreement on their functions, "Donovan still speaks of providing the Economic Defense Board and the President with economic information" relative to postwar planning, Hall sketched three areas in which Donovan was moving into policy-making and strategic planning. Indeed, wrote Hall "there has been some indication that the Donovan group wishes to supplant the State Department in bringing together the military, naval, geographical, economic, and political information needed for the planning of basic foreign policy." Hall, echoing perhaps others' fears, saw this as Donovan insinuating himself between the President

and the Department as did Colonel House in World War I. Next, Hall reported the belief on the part of members of COI's staff and of other agencies that "Donovan's hope is that he will be the planner of basic strategy." The mechanism for this leap to power was to be the coordination committees authorized by the 11 July order and calculated to operate at the highest level in the utilization of data in planning basic strategy. Hall threw in his, or others', estimate that Donovan's relationship with the President would tend to make him the "basic strategy advisor." Finally, Hall saw "some indications" that the Donovan organization hoped to develop as the "high strategy group," which many military and civilian people thought the defense program needed.

The last two of the eleven areas of conflict are relatively minor. Hall considered Donovan's tentative agreement with the military services to unify undercover activities abroad was "a primary accomplishment," but he feared this would interfere with Donovan's "informational strategy planning function." He also had fears about the COI section to produce propaganda motion pictures; "considerable question" could be raised, he said, about the usefulness of such films outside Latin America, and Rockefeller's organization found that such films were less appealing to Latins than commercial and informational films.

After detailing all these problems in four pages, two short paragraphs agreed that Donovan could make "definite contributions" in subversive activities and in psychological and propaganda warfare — radio broadcasting, underground messages, and leaflets — provided he stayed out of Rockefeller's Latin American preserve.

With these paragraphs we come to the end of this early organizational period in which there was so much discussion of and controversy about the legitimate functions of COI. Before trying to summarize these functions, however, it may be well to satisfy the reader's curiosity about how some of the controversies were resolved. First of all, it must be stated that the Bureau of the Budget continued for months to press for a Presidential re-statement of COI's functions. Hall's last memorandum was sent to Director Harold D. Smith, apparently with the recommendation to take it up in substance with FDR. On 14 October there was written, probably by Hall, a draft of a memorandum for the President in which "a number of basic questions" about COI's function were raised for the President's decision.⁴⁶ Then, on 5 November Harold Smith, writing about COI's 1942 budget, suggested to the President that he write a letter or order "precisely defining the Coordinator's assigned

area of activity."⁴⁷ Finally, on 28 February 1942, Smith advised the President that such an order was "becoming increasingly necessary" and that he, Smith, was ready to draft it:⁴⁸ That drafting, however, was caught up in another series of events which saw COI shorn of its Foreign Information Service and re-constituted, on 13 June 1942, as the Office of Strategic Services.

Roosevelt Intervenes

In the meantime, Roosevelt — when forced to it — had taken steps to settle arguments. On 4 September 1941 he directed Ben Cohen — "I am not `asking' you to do this! I am `telling' you!" — he good-naturedly wrote — to "see that inconsistencies and conflicts do not arise" between Bill Donovan's organization and the new Office of Facts and Figures; the latter's establishment on 24 October ended Donovan's "morale function."⁴⁹ On 15 October, Roosevelt had to step in between Donovan and Rockefeller, and he did so on the side of the latter, telling Donovan to keep out of Latin American.⁵⁰ In economic defense activities, the appearance on the scene of Milo Perkins as executive director of EDB effectively closed that area to COI. As for subsequent developments in regard to "writing the peace" and postwar planning, with which State, EDB, and other agencies continued to wrestle, we must leave some loose ends lying about. Jurisdictional conflicts — involving not only COI but so many other wartime agencies — persisted throughout the war, but they are not our main interest here.

In reviewing this early history of COI's development we have been searching for indications of functions which Donovan thought or knew were his by right of the President's authorization of the memorandum of 10 June, the meeting on 18 June, and the order of 11 July. Now is the time to state some conclusions and cite sample pieces of evidence, and we will do so under the following headings:

1. Morale: This is the least troublesome area. Morale was not a part of Donovan's original plan, but the President was "struck by the thought that Donovan might take on the morale job temporarily ..." The New Yorker apparently fell in very quickly with the idea, especially with the idea of reporting on the state of mind of the American public.

2. Economic defense: There is nothing in the record to show that Roosevelt authorized Donovan to study and report to him and the American public on the state of the American defense effort, but Donovan certainly moved early in that direction. Atherton Richards was quoted by Hall to that effect; and on 5 August, in a COI memorandum to the staff, the "Economics Branch" was authorized to conduct research bearing on "the economic problems of the United States during and following the termination of the war emergency," which the President had proclaimed in May: and at the same time the Branch was divided into three divisions: the domestic, the foreign, and the "Industrial, labor and agricultural economics division."⁵¹

3. Economic warfare: Donovan and Richards clearly discussed "the possibilities of economic warfare organization." This must have had reference at least to that passage in his 10 June memorandum wherein he wrote that "All departments should have the same information upon which economic warfare could be determined." Donovan, according to Hall, reached an agreement with Perkins whereby COI would provide the EDB "with the basic information which would be needed for postwar planning and for economic warfare." While this agreement was by no means the last word on the subject, there is no reason to doubt but that Donovan did expect that the provision of such data was within his bailiwick. At this stage of development, the subject of operations in this field was not discussed.

4. Postwar planning: As just mentioned, Donovan intended to provide EDB with data relating to the postwar situation, and Richards was asked at the 16 July conferences to state the need of his unit for postwar planning. Also, an undated statement of the functions of the "Economic Branch" shows that it was to "formulate plans for the coordination of post-war planning activities" of the various agencies, to collect and "popularize" information on such planning for the President and department heads, and also to encourage such planning by industry, labor, and agriculture.⁵²

5. Writing the peace: Milo Perkins is the indirect source of the Donovan claim that the President had told him to write the peace. According to Hall, writing on 8 September, Dr. Baxter was "disturbed by the rumors that Donovan has been commissioned to write the peace and believes that the State Department was also quite concerned." Baxter was further quoted as saying that some of his friends had been approached by Donovan, before the COI order came out, "asking them to serve with

an organization similar to the House inquiry of the last war." Baxter was further quoted as saying that no such organization should be established and the function should be left with State, but that Donovan did not agree with him on this point.⁵³

6. Basic Strategy Planning: There is no reason to doubt that Donovan aimed to influence basic political and military strategy. Others may have thought "policy" was not the field of COI, but Donovan did not think that way, at least, in the period under consideration. He aimed to gather and interpret the data "bearing on national security," and working through the "coordination committees" to make recommendations to the President. Again, an early but undated statement of functions shows that the "Research and Plans Branch" was to assist in the development of strategic plans, advise the Coordinator on national policy, prepare "popular" reports on strategic subjects for the President, and maintain such liaison as would insure the "full utilization of the expert facilities in the various departments and agencies in the determination of national policy."⁵⁴ Just how far Donovan expected to go in this direction is arguable, but it is not surprising if Hall and others thought the "Donovan organization" hoped to develop as "the secretariat of [a] high strategy group" within the defense organization.

Conclusion

By now it must be clear that there was anything but clarity in the listing of the functions that COI was to perform. First of all, we know only that the President approved Donovan's memorandum of 10 June which called for the establishment of an organization to collect information on enemy countries and to use the radio as an instrument of modern warfare and that the President also underwrote Donovan's plans for secret and subversive activities. Secondly, the order of 11 July authorizes Donovan to collect, analyze, correlate, and disseminate information bearing on national security and also to carry out "supplementary activities" as requested by the President. We know also, from the drafting of the order, that Ben Cohen thought the new COI would not interfere with the "morale function" of La Guardia's office or the need for the projected Economic Defense Board. Thirdly, as just reviewed, Donovan was quickly involved in a whole host of activities which could not possibly have been touched upon, spelled out, and agreed upon in the conference that Donovan had with the President on 18 June.

The conclusion here is that Donovan was given a charter marked by vagueness, contradiction, and open-endedness. The vagueness is clear on the face of the 11 July order, and Smith had pointed this out to the President a week before it was issued. It was so vague even on the basic function of the Coordination of Information that some people concluded, honestly presumably, that his job was simply to "digest" others' reports to the President. The most patent contradiction contained in the order, although not spelled out, was the authorization to conduct world-wide radio broadcasts even though Nelson Rockefeller clearly had a monopoly on such activity as far as South America was concerned. The openendedness — the coordination of data bearing on national security — Donovan was clearly quite prepared to exploit to the full, and it is not surprising that people like Breckinridge Long were soon accusing him of poking his nose "into everybody's business."

This conclusion raises the question of President Roosevelt's understanding of what he was doing when he issued such a charter to the Colonel. For an answer, the writer can only fall back on others' analyses of FDR's administrative principles and procedures, and here there are at least two schools of thought. James MacGregor Burns has described the President as " ... avoiding commitments to any one man or program, letting his subordinates feel less the sting of responsibility than the goad of competition, thwarting one man from getting too much control ... ," and it was this approach that "prompted him to drive his jostling horses with a loose bit and a nervous but easy rein." ⁵⁵ On the other hand, Dean Acheson has rejected as "nonsense" the idea that Roosevelt liked "organizational confusion which permitted him to keep power in his own hands by playing off his colleagues one against the other;" instead, says the former Secretary of State, under FDR, "civil governmental organization ... was messed up ... for the simplest of reasons: he did not know any better." ⁵⁶

Let the last comment on the President's style go to William O. Hall, who, thirty years after the events narrated here, observed that "Donovan was a pusher, an empire-builder, a man with a sense of mission, whose activity had "the effect of stirring up the military and the State Department, and FDR was happy to see this."⁵⁷

Appendix A:

MEMORANDUM OF ESTABLISHMENT OF SERVICE OF STRATEGIC INFORMATION

Strategy, without information upon which it can rely, is helpless. Likewise, information is useless unless it is intelligently directed to the strategic purpose. Modern warfare depends upon the economic base — on the supply of raw materials, on the capacity and performance of the industrial plant, on the scope of agricultural production and upon the character and efficacy of communications. Strategic reserves will determine the strength of the attack and the resistance of the defense. Steel and gasoline constitute these reserves as much as do men and powder. The width and depth of terrain occupied by the present day army exacts an equally wide and deep network of operative lines. The "depth of strategy" depends on the "depth of armament."

The commitment of all resources of a nation, moral as well as material, constitute what is called total war. To anticipate enemy intention as to the mobilization and employment of these forces is a difficult task. General von Vernhardi says, "We must try, by correctly foreseeing what is coming, to anticipate developments and thereby to gain an advantage which our opponents cannot overcome on the field of battle. That is what the future expects us to do."

Although we are facing imminent peril, we are lacking in effective service for analyzing, comprehending, and appraising such information as we might obtain, (or in some cases have obtained,) relative to the intention of potential enemies and the limit of the economic and military resources of those enemies. Our mechanism of collecting information is inadequate. It is true we have intelligence units in the Army and Navy. We can assume that through these units our fighting services can obtain technical information in time of peace, have available immediate operational information in time of war, and on certain occasions obtain "spot" news as to enemy movements. But these services cannot, out of the very nature of things, obtain that accurate, comprehensive, long-range information without which no strategic board can plan for the future. And we have arrived at the moment when there must be plans laid down for the spring of 1942.

We have, scattered throughout the various departments of our government, documents and memoranda concerning military and naval and air and economic potentials of the Axis which, if gathered together and studied in detail by carefully selected trained minds, with a

knowledge both of the related languages and technique, would yield valuable and often decisive results. Critical analysis of this information is as important presently for our supply program as if we were actually engaged in armed conflict. It is unimaginable that Germany would engage in a \$7 billion supply program without first studying in detail the productive capacity of her actual and potential enemies. It is because she does exactly this that she displays such a mastery in the secrecy, timing, and effectiveness of her attacks. Even if we participate to no greater extent than we do now, it is essential that we set up a central enemy intelligence organization which would itself collect either directly or through existing departments of government, at home and abroad, pertinent information concerning potential enemies, the character and strength of their armed forces, their internal economic organization, their principal channels of supply, the morale of their troops and their people and their relations with their neighbors or allies. For example, in the economic field, there are many weapons that can be used against the enemy. But in our government these weapons are distributed through several different departments. How and when to use them is of vital interest not only to the Commander-in-Chief but to each of the departments concerned. All departments should have the same information upon which economic warfare could be determined. To analyze and interpret such information by applying to it not only the experience of Army and Naval officers, but also of specialized trained research officials in the relative scientific fields, (including technological, economic, financial and psychological scholars,) is of determining influence in modern warfare. Such analysis and interpretation must be done with immediacy and speedily transmitted to the intelligence services of those departments which, in some cases, would have been supplying the essential raw materials of information. But there is another element in modern warfare, and that is the psychological attack against the moral and spiritual defenses of a nation. In this attack the most powerful weapon is radio. The use of radio as a weapon, though effectively employed by Germany, is still to be perfected. But this perfection can be realized only by planning, and planning is dependent upon accurate information. From this information action could be carried out by appropriate agencies. The mechanism of this service to the various departments should be under the direction of a Coordinator of Strategic Information who would be responsible directly to the President. This Coordinator could be assisted by an advisory panel consisting of the Director of FBI, the Directors of the Army and Navy Intelligence Service, with corresponding officials from other governmental

departments principally concerned. The attached chart shows the allocation of and the interrelation between the general duties to be discharged under the appropriate directors. Much of the personnel would be drawn from the Army and Navy and other departments of the government, and it will be seen from the chart that the proposed centralized unit will neither displace nor encroach upon the FBI, Army and Navy Intelligence, or any other department of the government. The basic purpose of this Service of Strategic Information is to constitute a means by which the President, as Commander-in-Chief, and his Strategic Board would have available accurate and complete enemy intelligence reports upon which military operational decisions could be based.

William J. Donovan Washington, D.C. June 10, 1941

Appendix B: DESIGNATING A COORDINATOR OF INFORMATION

By virtue of the authority vested in me as President of the United States and as Commander in Chief of the Army and Navy of the United States, it is ordered as follows: 1. There is hereby established the position of Coordinator of Information, with authority to collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and officials of the Government as the President may determine; and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government. 2. The several departments and agencies of the government shall make available to the Coordinator of Information all and any such information and data relating to national security as the Coordinator, with the approval of the President, may from time to time request. 3. The Coordinator of Information may appoint such committees, consisting of appropriate representatives of the various departments and agencies of the Government, as he may deem necessary to assist him in the performance of his functions. 4. Nothing in the duties and responsibilities of the Coordinator of Information shall in any way interfere with or impair the duties and responsibilities of the regular military and naval advisers of the President as Commander in Chief of the Army and Navy. 5. Within the limits of such funds as may be allocated to the Coordinator of Information by the President, the Coordinator may employ necessary personnel and make provision for

the necessary supplies, facilities, and services. 6. William J, Donovan is hereby designated as Coordinator of Information. (Signed) Franklin D. Roosevelt THE WHITE HOUSE July 11, 1941 (Federal Register, Tues., July 15, 1941. p. 3422-23. F.R. Doc. 41-4969; Filed, July 12, 1941; 11:53 a.m.)

1 Breckinridge Long, *The War Diary of Breckinridge Long: Selections from the Years 1939-1944*, ed. Fred L. Israel (Univ. of Nebraska Press, Lincoln, Neb., 1966) p. 257. This passage was written on 10 April 1942; on 20 December 1941 Long had noted (pp. 233-34) that Donovan was hard to "control," and that his organization was "composed largely of inexperienced people" who were also "inexperienced ... in dealing ... with ... confidential information."

2 Memorandum from William J. Donovan to President Roosevelt, No. 452, 27 April 1942, Donovan Papers, "Exhibits Illustrating the History of OSS," Vol. 11, "The Office of the Coordinator of Information," Tab YY. Hereafter the short title is Donovan Papers, "Exhibits," and this will cover both Vols. I and II.

3 See this writer's "COI and British Intelligence: An Essay on Origins," (CIA, 1970), esp. Chs. II and III. Hereafter referred to as "COL"

4 Ibid., Chs. IV and VIII.

5 Donovan Papers, "Exhibits," Vol. I, Tab B.

6 Memorandum from Roberta Barrows to Gen. Watson, 11 June 1941, Franklin D. Roosevelt Papers (Franklin D. Roosevelt Library, Hyde Park, N.Y.) PPF 6558 (William J. Donovan).

7 Transcribed telephone conversation between Morgenthau and Graves, 13 June 1941, Henry J. Morgenthau, Jr., *Diary* (Roosevelt Library), Book 408, p. 4 (CLOSED).

8 Telcon between Morgenthau and Donovan, *ibid.*, Book 408, pp. 151-52.

9 Composite Presidential Diary, Roosevelt Papers.

10 Robert E. Sherwood, *Roosevelt and Hopkins: An Intimate History* (Harper, New York, 1950, p. 265).

11 Records of OSS, Bureau of the Budget, Box 23, Folder 211. These records referred to hereafter as BOB Records.

12 Telcon between Morgenthau and Donovan, Morgenthau Diary, Book 411, pp. 67-71. " "COI," Ch. VIII.

13 Memorandum of "Conference with Ben Cohen on Strategic Information." BOB Records, Folder 210.

15 "Memorandum for the President," 30 July 1941. See Note 38, *infra*. 16 BOB Records, Folder 210. While undated and unsigned, the document clearly originated at the time mentioned.

17 Memorandum from Blandford to Cohen, 24 June 1941, *ibid*.

18 Henry L. Stimson Diary (Yale University, New Haven, Conn.), Vol. 34, entry for 20 June 1941.

19 *Ibid.*, 22 June 1941.

20 *Ibid.*, 24 June 1941.

21 *Ibid.*, 25 June 1941.

22 Knox to Roosevelt, 25 June 1941, Roosevelt Papers, OF 4485 (OSS) Box 1.

23 Roosevelt to Smith, 28 June 1941, *ibid.*, PPF 6558 (William J. Donovan).

24 Smith to Stimson, 27 June 1941, BOB Records, Folder 210.

25 Stimson Diary, Vol. 34, 30 June 1941.

26 *Ibid.*, 1 July 1941.

27. *Ibid.*, 2 July 1941.

28 *Ibid.*, 3 July 1941.

29 *Ibid.*

30 Memorandum of "Conference with Colonel J. Donovan and Ben Cohen," 3 July 1941, BOB Records, Folder 212.

31 Smith to Roosevelt, 3 July 1941, *Ibid.*, Folder 210.

32 Early 's notation appears on the press release Smith sent the President, and Hopkins appended his note to Smith's letter.

33 BOB Records, Folder 210.

34 New York Times, 6 July 1941, p. 16, cols. 2-3.

35 Ibid., 10 July p. 12, col. 3.

36 Ibid., 12 July, p. 5, col. 1.

37 BOB Records, Folder 212. These reports are all dated 16 July 1941; it is possible, however, that one of the conferences occurred on 15 July.

38 Memorandum for the President, *ibid.* Gladieux prepared this for Smith's signature on 30 July 1941. An illegible note written by Hall — and dated 31 July makes the writer uncertain that the memorandum was actually sent.

39 Memorandum from Hall to Gladieux on "Functional Confusion in the Office for Coordination of Information," 28 August 1941, *ibid.*

40 Dean G. Acheson, *Present at the Creation: My Years in the State Department* (N.Y.: Norton, 1969), p. 41.

41 The reference to the unnamed Senator is in a memorandum from Early to Roosevelt, 1 August 1941, Roosevelt Papers, PSF (Donovan) (Closed). Berle's warning is in his memorandum to Sumner Wells, 25 July 1941, in Records of the State Department, National Archives, RG 59, File 103.918/2541. The warning to Hull is in a Memorandum from Pasvolsky, "Proposal for the Organization of Work for the Formulation of Post-War Foreign Policies," 12 September 1941; this can be found in U.S. Department of State, *Postwar Foreign Policy Preparation, 1.939-1945* (Washington, GPO, 1949), pp. 464-67. The remark by the Administrator is found in the Records of the Economic Defense Board, National Archives, RG 169, Misc. File, Box 6, Information Division Minutes.

42 "COI," Chs. VII and VIII.

43 Here is a sample of this attitude: On 26 December 1941, Captain T. S. Wilkinson, USN, asked Secretary of the Navy Knox, in a memorandum, if Colonel Donovan should be allowed to see the "Daily Bulletin" issued by the joint Intelligence Committee of the Joint Board. Knox advised Wilkinson "to dig out the executive order" establishing COI and he would find therein "instructions for both Army and Navy to provide Colonel Donovan with all information in their possession. Under these

conditions, it hardly seems necessary for me to instruct you to add his name to those who receive the bulletin. If you feel better about having such instructions, regard this as instructions to that effect." Found in Navy Records, CNO Central Classified File, Folder A8-3EF13, Secret.

44 H. Montgomery Hyde, *The Quiet Canadian: The Secret Service Story of Sir William Stephenson* (London: Hamilton, 1962), p. 156.

45 Memorandum from Hall to Gladieux on "Scope and Function of the Office of the Coordinator of Information," 11 September 1941, BOB Records, Folder 212.

46 Memorandum to the President, "1942 Allotment Request of Coordinator of Information," 14 October 1941 (draft), BOB Records, Folder 247.

47 Harold D. Smith, Memorandum for the President, "Budget Request for the Coordinator of Information," 5 November 1941, Roosevelt Papers, OF 4485.

48 Smith to the President, 28 February 1942, Donovan Papers, "Exhibits," Vol. II, Tab UU.

49 Roosevelt to Cohen, 4 September 1941, Roosevelt Papers, PPF 3509.

50 Memorandum for the Coordinator of Information from F.D.R., 15 October 1941, BOB Records, Folder 239.

51 "AR," presumably Atherton Richards, appear as initials of the originating officer on this memorandum, which was prepared for Donovan's signature.

52 This document appears in the BOB Records in company with Hall's reports of 16 July 1941, and there is no reason to doubt that it belongs there.

53 Hall's Memorandum of Conference, 8 September 1941, on "Developments in the Office of the Coordinator of Information," BOB Records, Folder 212.

54 Cf. Note 52 *supra*.

55 James MacGregor Burns, *Roosevelt: The Soldier of Freedom* (Harcourt Brace Jovanovich, New York, 1970), p. 53. More recently, John P. Roche

noted in his King Features Syndicate column (Washington Post, 22 May 1973) that: "[Roosevelt's] technique, to simplify, was always to give subordinates overlapping jurisdictions. Thus Jesse Jones of the Reconstruction Finance Corporation, Harry Hopkins, and Secretary of the Interior Ickes (to take one hypothetical case) would each be given the impression by FDR that he was in charge of some major aspect of domestic policy. Invariably the three would get into a fight on any significant policy question and — since it was impossible to settle it among themselves — the President would wind up as the arbiter."

56 Acheson, Op. cit., p. 47.

57 William O. Hall, private interview, Washington, D.C., 16 September 1970.

~~CONFIDENTIAL~~

Posted: May 08, 2007 08:38 AM