

The Birth of Central Intelligence

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Postwar interregnum as conflicting plans for central intelligence are shaken down into a presidential directive.

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There was more than economy in mind as Director of the Budget Harold Smith corresponded with General Wm. J. Donovan in August 1945 about liquidating the Office of Strategic Services. On the same day Smith advised the General that agencies with no peacetime activities had to go, Donovan expounded once more in a letter to him the principles which should govern a centralized U.S. foreign intelligence system. Donovan believed those principles were already at work in the OSS. But since it was to be abandoned, another agency should be set up immediately to take over its valuable assets and aid the nation in "the organization and maintenance of the peace."

The newly unveiled atomic bomb naturally dominated the thinking of the time, and some argued that it made the need for a permanent system of national intelligence peremptory. Gregory Bateson, for example, writing to Donovan from OSS headquarters in the India-Burma theater, forecast that the bomb would shift the balance of warlike and peaceful methods of international pressure. It would be powerless, he said, against subversive practices, guerrilla tactics, social and economic manipulation, diplomatic forces, and propaganda either black or white. The nations would therefore resort to those indirect methods of warfare. The

importance of the kind of work the Foreign Economic Administration, the Office of War Information, and the Office of Strategic Services had been doing would thus be infinitely greater than it had ever been. The country could not rely upon the Army and Navy alone for defense. There should be a third agency to combine the functions and employ the weapons of clandestine operations, economic controls, and psychological pressures in the new warfare. But Bateson thought, and he would not be alone, that this third agency should be under the Department of State.

Donovan's Principles

Two assets of the OSS were clear, wrote Donovan to Smith. For the first time in its history this country had a secret intelligence service gathering information abroad and reporting directly to a central office in Washington. Inseparable from this service, a group of specialists were analyzing and evaluating the information for those who should determine the nation's policies. These two cardinal purposes, secret collection abroad and expert appraisal at home, Donovan backed up with the familiar points in his plan. Each department would have its own intelligence service to meet its own needs; its materials would be made available to the central agency. This agency would serve all of the departments with supplemental information obtained either by its own collectors or from other services. It would supply its strategic interpretive studies to authorized agencies and officials.

The agency should have no clandestine activities within the United States nor any police functions either at home or abroad. In time of war it would be subject to the joint Chiefs of Staff. But it should be independent of any department since it was to serve all. It should have an independent budget. It should be administered by a single officer appointed by the President and under his direction. The President might designate a general manager to act as his intermediary, but the agency should be established in the Executive Office of the President. That was the only concession Donovan would make to the critics who feared a director of central intelligence answerable only to the President.

Subject to the approval of the President, or the general manager, the

director should determine the policy of the agency with the "advice and assistance" of a board representing the Secretaries of State, War, the Navy, and now Donovan added the Treasury. He still insisted that this board should be only a vehicle of advice, not of authority. This requirement was certain to keep alive the opposition which his proposal had met in the military services throughout the previous year. But to General Donovan the principle of individual responsibility was as indispensable as the work of experts in research and analysis and the maintenance of covert services abroad. None of the three principles should be subject to his pet abomination, compromise.

Bureau of the Budget Proposals

General Donovan's "all-inclusive" program had met doubts among officials of the Bureau of the Budget as early as 1941. Now in 1945, on September 20, a BoB paper traced the history of intelligence in this country and proposed a different kind of organization to replace the OSS. It commended the OSS for blazing new trails and raising the level of competence in the whole system of intelligence but dismissed it as a wartime agency which should not be superimposed on the normal structure of government. The principal operations of intelligence must be at the point where decisions were made, that is in the individual departments. As these were responsible for the decisions and actions, they should produce the intelligence upon which the decisions were based. Moreover, the Donovan plan did not recognize the leading role of the State Department as a "staff agency of the President." Here, it would seem, was the main point of the BoB paper.

It conceded the necessity for coordinating the intelligence operations of the several departments and supplying intelligence reports to the President and others who had decisions to make with regard to national policy; national policy invariably cuts across some departmental lines. But this could be done by a small independent central staff which could rely on the product of research and analysis in the departments. It should not engage in original research but rather harmonize the intelligence from the departments, reconciling any conflicts among them. Until the President saw fit to have such a small staff in his own

office, the Department of State could provide the facilities.

The details of the organization proposed in the BoB paper should not detain us; they were significant chiefly for the support they gave to the organization then taking shape in the State Department. But it is noteworthy that the proposal embodied an unrealistically sharp distinction between security intelligence and counterespionage on the one hand and the positive intelligence obtained from collecting information on the other. It would have the two functions kept apart under the jurisdictions of two separate interdepartmental committees which would devise plans and coordinate the work of the several departments in the two fields. The nucleus of both committees was to be the Assistant Secretaries of State, War, and the Navy. When these sat as the Intelligence Coordinating Committee, the Assistant Secretary of Commerce would attend. When they were the Security Coordinating Committee, the additional members would be the Assistant Secretary of the Treasury and the Assistant Attorney General.

The ideas of the Bureau of the Budget won the attention of President Truman. On the same day, September 20, he directed Secretary Byrnes of the Department of State to take the lead in developing the program for a comprehensive and coordinated system of foreign intelligence. The Secretary should form an interdepartmental group to make plans for the President's approval. The goal was "complete coverage of the foreign intelligence field" and control of operations to meet with "maximum effectiveness" the needs of "the individual agencies and the Government as a whole."

At the same time, in -spite of Donovan's protests to Rosenman, the President's Special Counsel, and to Budget Director Smith, President Truman signed the executive order breaking up the Office of Strategic Services. The personnel and facilities of the Research and Analysis and the Presentation Branches went to the Department of State. These, the President had agreed with Secretary Byrnes, would provide resources to aid the State Department in developing foreign policy. The War Department received the rest, chiefly assets for secret intelligence and counterespionage and for the covert action operations which were to be ended as soon as possible. These were incorporated into a Strategic Services Unit under Brigadier General John Magruder, who had been Donovan's Deputy for Intelligence. By October 26, 1945, an organization which at its peak had had some 3,000 persons, exclusive of agents and

other foreign nationals in special capacities, had been reduced to fewer than 8,000. All of these measures were in line with the purposes of the Bureau of the Budget.

Position of the Joint Chiefs

Much was happening in the few days around the fall equinox of 1945. The Joint Chiefs of Staff revived, with few changes, their January plan for a National Intelligence Authority.² But instead of the original stipulation that the new central intelligence agency should have an independent budget, they now proposed that funds should be supplied by the participating departments in amounts and proportions to be agreed upon. This was because the Independent Offices Appropriation Act for 1945 had made it impossible without further legislation to give the central intelligence authority a separate budget. Under its terms, moreover, no part of any appropriation could be expended by any agency which had been in existence for more than a year without specific authorization from Congress.

The plan was submitted to the Secretaries of War and the Navy by Admiral Leahy for the Joint Chiefs of Staff on September 19. Leahy asked that the Secretaries forward it to the President. Ten days later Secretaries Patterson and Forrestal sent it to the Secretary of State. In view of the executive order terminating the Office of Strategic Services and President Truman's letter to Secretary Byrnes of the same date asking him to "take the lead," they presumed that Byrnes would want to transmit the recommendations to the President."

Going its thus roundabout way from the President's own Chief of Staff and back to him, this communication joined again the familiar issue between the parties of greatest interest. If there had to be a central intelligence agency, the armed services were trying to make sure that it would develop according to their ideas. Ranking officers in both Army and Navy did not want a central agency, but they liked even less to think that a civilian instrument, whether the OSS or the Department of State, would control the intelligence system of the nation.

The Joint Chiefs' plan took note of General Donovan's principles forwarded on August 25 to the Bureau of the Budget. They recognized the desirability of coordinating intelligence, conducting activities of common concern in one agency, and synthesizing departmental intelligence on the strategic and national level. But their thinking in September had not advanced much beyond the conclusions the joint Strategic Survey Committee had reached in January. Donovan wanted to "overcentralize" the intelligence service. He would place it at so high a level in the government that it would control the departmental intelligence agencies. The central intelligence organization ought to be responsible to the heads of the departments. The Joint Chiefs of Staff favored a federal rather than national principle for the permanent system of intelligence to replace the OSS.

Conditions now, however, created more urgency than there had been in January. Though hostilities were ended, the atomic mushroom darkened the future. President Truman had been through the Potsdam Conference where friction with Russia over Poland, Austria, Germany, and the Far East had become dangerous. The Joint Chiefs of Staff had come to feel that an efficient intelligence service had become indispensable. It was now "entirely possible that failure to provide such a system might bring national disaster." Committees were at work for both the Army and the Navy to reconcile their differences and find common ground if they could for a single Department of Defense, and with it a central intelligence service. Meanwhile a member of the Department of State specially assigned to the task went ahead to build upon ideas in the Department and the suggestions of the Bureau of the Budget.

State Department Plan

During the fall of 1944 considerable thought had been given to establishing an Office of Foreign Intelligence in the State Department. The geographic and functional divisions did not provide a central repository where policy makers could find accumulated knowledge on subjects involving the work of several divisions. Nor was there any place in the Department for coordination with other agencies of the government. The proposed Office of Foreign Intelligence was expected

to fill these needs with a planning staff and divisions of research in political, economic, geographic, social, scientific, and other matters.

Now a year later the Department contemplated not only a new internal organization but extending its jurisdiction as it "took: the lead" in developing the intelligence program for all federal agencies. A Special Assistant for Research and Intelligence was to gather together the functions of collection, evaluation, and dissemination of information regarding foreign nations which heretofore had been spread among several geographic offices in the Department. There were to be two new offices under his direction, one for intelligence and the other for counterintelligence.

As the OSS Research and Analysis and Presentation Branches came over, their functions, personnel, records, and property were to be absorbed according to the Department's wishes. Any remainder would be abandoned. The other departments and agencies of the government, as well as State's own field offices, would then be expected to send their intelligence to the Special Assistant's organization for correlation and synthesis. The similarity between these ideas and the suggestions of the Bureau of the Budget is obvious.

President Truman's letter to Secretary Byrnes enlarged the opportunity to press this plan. The Special Assistant, Mr. Alfred McCormack, came from the Army, where he had been Director of the Military Intelligence Service. He brought into the Department Ludwell L. Montague and James S. Lay, who had also had military careers as secretaries of the joint Intelligence Committee of the Joint Chiefs of Staff; both men had helped formulate the JIC plan for central intelligence. McCormack entered with enthusiasm and conviction upon the work of taking over the whole business of correlating and evaluating intelligence for the makers of policy in the federal government. He was certain to arouse opposition in the Army and Navy.

Secretary Forrestal, seeking to develop a central intelligence agency in connection with the closer integration of the Army, Navy, and Air Force which he so earnestly desired, thought of having the heads of the several intelligence agencies to dinner to discuss the matter and perhaps remove some of their differences; and a memorandum from Thomas B. Inglis, Acting Chief of Naval Intelligence, on October 10, 1945, warned him of what he might expect: Mr. McCormack within the past

ten days had declined General Magruder's proposal for an informal interim committee; until Secretary Byrnes "took the lead" as directed by the President, he preferred to conduct liaison directly with G-2, MIS, and ONI. Mr. J. Edgar Hoover was not in favor of a national intelligence agency. There probably would be "veiled antagonism" too, said Inglis, among some of the other guests. (From one of them, G-2 General Clayton Bissell, to judge from the record of his participation in the historic meeting of the joint Intelligence Committee on December 22, 1944,³ it is doubtful that the antagonism would be veiled.) Inglis suggested that Magruder, as head of the Strategic Services Unit, might be included in the dinner party. "It would be an interesting, but perhaps somewhat uncongenial, meeting."

By November, the departments were clearly heading into a collision. Forrestal wrote to Patterson on October 13 that they should push the joint Chiefs' plans vigorously at the White House. The three secretaries, Byrnes, Patterson, and Forrestal, met on October 16 and agreed in principle that any central intelligence organization should report to them rather than to the President; at least this principle of Donovan's was thus removed from the controversy. But Inglis observed on October 18 that whatever Byrnes might say about coordination, McCormack was not keeping the Navy in touch with his planning. In the War Department, Patterson authorized a special committee to study the problem under the chairmanship of Robert A. Lovett, Assistant Secretary for Air.

In the next meeting of the secretaries, on November 14, Forrestal asked that they devote their discussion to the proposed central intelligence agency. Byrnes suggested they endeavor to "integrate and reconcile" the several plans. Lovett, whom Patterson had brought to give his views, stated that the plan of the Bureau of the Budget appeared to fail in three respects: its coordination would be very loose; it provided for multiple collecting agencies, which were bad in clandestine intelligence; and it treated the problem as though the secretaries themselves were going to operate the agency, an impossibility in practice. Lovett advocated the plan of the joint Chiefs to give the secretaries authority over a director and an agency under his administration.

Byrnes too did not like the idea of the interdepartmental governing committees in the Bureau's plan, nor the emphasis upon research and analysis. The scheme seemed to him too big and elaborate. Without other comment for the record, he concluded that they all favored a

central agency. He proposed an interdepartmental working committee to get at the problem as quickly as possible before the existing intelligence structure disintegrated further. The funds for some units, notably the SSU, were available only until the first of January. The secretaries agreed to form such a committee. At the close of the meeting Secretary Patterson inquired if anyone knew of a good man to be Director of Intelligence, and Lovett said the only name he had heard mentioned was Allen Dulles.

Compromise Effort

The working committee met on November 19. Its members for the State Department were Alfred McCormack and Donald S. Russell; for the Army, Robert A. Lovett and Brigadier General George Brownell; and for the Navy, Rear Admiral Sidney Souers and Major Matthias Correa, special adviser to Secretary Forrestal. If Secretary Byrnes' acceptance of a central agency had meant agreement to negotiate on some basis other than the BoB plan, McCormack did not so interpret it. He insisted that the President's letter of September 20 had directed Secretary Byrnes to take the lead not only in developing an interdepartmental intelligence program but also in putting that program into operation. The plan which McCormack was going to send to the President provided that the Executive Secretary of the authority coordinating the departmental intelligence services should be named by the Secretary of State and should be an employee in the State Department. Instead of having a central agency produce the national intelligence estimates for policy makers, McCormack would assign that responsibility to the Department's Estimates Staff under the Special Assistant for Research and Intelligence, that is McCormack himself.

The representatives for the Army and Navy argued in response that the director of the central agency should be named by the President and made responsible to the Secretaries of State, War, and the Navy and representatives of the joint Chiefs of Staff. This agency would produce the national intelligence estimates. As neither side would yield, there was nothing to do but ask the secretaries which concept should prevail.

Perhaps anticipating an unfavorable decision from above, McCormack reworked his plan in December and gave considerable ground in the hope of making it acceptable. The armed services were to have representatives throughout the proposed intelligence organization, including the Estimates Staff, although the commanding positions were reserved for the Department of State. The two governing committees proposed by the Bureau of the Budget for intelligence and security were reduced to a merely advisory capacity. In their stead McCormack now accepted, on December 3, a single National Intelligence Authority as advocated by the military services; but in his plan the Authority would consist of the Secretary of State, as chairman, and the Secretaries of War and the Navy. Heads of other departments and agencies might be invited by the Secretary of State to sit in on some meetings, and representatives of the Treasury and the FBI would attend to discuss matters of security. There would be no representative from the joint Chiefs of Staff; the armed services would already have a two-to-one vote in the Authority. The Department of State should retain the 'leadership and final responsibility.'

The Executive Secretary would still be appointed by the Secretary of State and be a State Department employee, but he would be responsible to the Authority as a whole. The Secretaries of War and the Navy voting together could even remove him. Moreover, on December 15 McCormack accepted from the War Department a provision that would prevent the Executive Secretary from proposing my operating plan to the Authority until it had been submitted to :be appropriate advisory- board and the opinion of any dissenting member of that board attached to it.

There were to be a host of coordinating committees covering, as in the proposal of 1944 for the Department's Office of Foreign Intelligence, politics, economics, geography, science and technology, biographical records, military affairs, and other divisions of subject matter. In all these, with obvious exceptions like military intelligence, the Department of State was to have the chairmanship. Finally, toward the end of the discussions, McCormack conceded that there might be a director of operations under the Executive Secretary to handle secret intelligence and security matters if the Authority should decide that this could be done more effectively in a central organization than by the departments.

How such a complicated setup would actually function in practice was not made clear in McCormack's proposal. In fairness to him, one must

say that he had little time to elaborate upon his ideas, for at about this point the Secretaries of State, War, and the Navy reached agreement to ask the President to adopt the joint Chiefs' plan, practically as it had been revised in September.

Studies of the Armed Services

Secretary Forrestal had appointed Ferdinand Eberstadt in June to make a special study of the proposed merger of the War and Navy Departments. The Eberstadt report, published now on October 22, held that the national security would not be improved by unifying the Army and Navy under a single head. One civilian secretary could not administer successfully the resulting huge and complex structure. There were benefits to be had from parallel, competitive, and sometimes conflicting efforts. On the other hand, better coordination was required to meet the increased international commitments, both political and military, which were being assumed under the charter of the United Nations, the Act of Chapultepec for inter-American defense, and military occupation of Germany and Japan and in the face of uncertain repercussions from the scientific and engineering advances made during the war.

The report called for the organization of the military forces into three coordinate departments—Army, Navy, Air—and their close association with the Department of State in a National Security Council. There should be established also a central intelligence agency to supply the "authoritative information on conditions and developments in the outside world" without which the National Security Council could not fulfill its role nor the military services perform their duty to the nation.

Mr. Eberstadt had named the then Captain Souers a committee of one to write a section on military intelligence for the report. As Assistant Director of Naval Intelligence in charge of plans, Captain Souers had helped in the work of the joint Intelligence Committee of the Joint Chiefs of Staff and had attended the meeting on December 22, 1944, when debate over the "services" and "civilian" plans had led to their consolidation in January. Since then he had been actively concerned

with General Magruder and others in both Army and Navy who wished to establish a permanent central intelligence system. Souers had opposed the Donovan plan because he felt that the director of central intelligence should serve not only the President but also the members of his cabinet who were responsible for the national security. Now in the Eberstadt report he also opposed the McCormack plan because it would put the intelligence system under the domination of a single department.

He reviewed precedents for a national intelligence system and dwelt particularly on the success of the joint Intelligence Committee, working through its subcommittees and with benefit of its joint Intelligence Collection Agencies, in producing strategic intelligence by the collaborative efforts of not only the military intelligence agencies but the AAF Weather Service Division, the offices of the Chief of Engineers and the Surgeon General, the Coast and Geodetic Survey, the Hydrographic Office, the Joint Meteorological Committee, the Board of Geographical Names, and the OSS. But even under the stimulus of war the interchange of information among these agencies had been neither free nor complete, and upon return to peace such collaboration as there had been would practically cease to exist. Moreover, strategic intelligence involves more than military and naval information; it requires knowledge of economic, social, and political forces that are not so readily ascertainable in swift reconnaissance as in deliberate research by appropriate civilian agencies.

For these reasons the joint Intelligence Committee could not be considered a permanent organization. It might be reorganized to include permanent representation from all agencies concerned with intelligence, but then it would cease to be merely the instrument of the joint Chiefs of Staff. The conclusion was that while each department should maintain its own intelligence service, each should participate in a joint central intelligence organization. This should coordinate all intelligence relating to national "security, maintain activities of common concern which should not be reduplicated in the departments, and synthesize departmental intelligence on the strategic and national policy level. Souers also recommended that courses of instruction be given to indoctrinate officers with the importance of intelligence to our national security.

The Army's committee appointed on October 22 under the chairmanship

of Assistant Secretary Lovett gathered testimony by means of a questionnaire and written reports within the War Department. There were formal interviews with persons specially qualified: General Bissell; William H. Jackson, who had reported on the British system; Kingman Douglass, who had represented the Army Air Forces at the Air Ministry in London; Lieutenant General Stanley D. Embick, member of the joint Strategic Survey Committee; David K. E. Bruce, who had been prominent in OSS; and Alfred McCormack from the State Department.

The opinions of most of these witnesses can be fairly surmised. Of particular interest, in view of his participation in the Intelligence Survey Group of the National Security Council in 1948 and his subsequent appointment as Deputy Director of Central Intelligence under General Walter B. Smith, are those held at this time by William H. Jackson.⁴

Under the new threat of the atomic bomb, Jackson said, and in the light of the lessons of Pearl Harbor, there was an urgent necessity for "imposing intelligence responsibilities on the military services within the scope of their missions" and for "compelling the coordination of intelligence functions under one national intelligence system." (These ideas of imposition and compulsion, voiced at a time when Congress was about to investigate the Pearl Harbor disaster, would be sublimated in 1948 to a call for "leadership" in the central agency and "cooperation" on the part of the departmental services.) Authority over the system should be vested in the Department of Defense if it were created or in the National Security Council if the Eberstadt proposal were adopted. But he moved the central agency even farther down the scale of responsibility and away from Donovan's principle than the joint Chiefs of Staff had. Its "active direction" would be in a directorate consisting of the chiefs of intelligence in the Army, Navy, and Air Forces, a representative of the State Department, and, when their interests in national security were involved, other departments such as the Treasury and Justice. Thus something like the eventual IAC would have supervision over the director of the central intelligence agency, who would be reduced to an office manager.

Jackson, moreover, would not allow the central agency to engage in clandestine collection. That function, and foreign counterintelligence, would be reserved to the Department of State, with the participation of officers assigned from the military services. But radio interception could be given to the central agency, and it might do its own overt collection of

economic and scientific intelligence.

General Magruder, out of his experience, probably made the most realistic contribution to the Committee. His proposal followed the lines of the Donovan plan but accepted the concept of authority proposed by the joint Chiefs, that the national intelligence director should be responsible to the Secretaries of State, War, and the Navy as a group. Every safeguard was required to keep the central organization from becoming the instrument of policy of a single department. It should be completely denied any policy-making function to preserve its objectivity.

Magruder came down hard on practical points: the traditional mutual aloofness of the departments which would make cooperation difficult; the professional hazards and delicacy of clandestine operations, which the regular departments, whether War, Navy, or State, could therefore not afford to house; the central agency's need for the authority to require the departments to pass to it their intelligence products, which they would not do "on a voluntary level"; the importance of leaving no ground upon which the agency could be used as a political tool by the party in power; the requirement for an independent budget granted without detailed congressional inquiry into the expenditures.

The finished report of the Lovett Committee noted, as Magruder had, that there was jealousy and mistrust among the departmental intelligence services, and also that the lack of experienced intelligence officers in both military services contributed to the unsatisfactory situation; no serious effort had been made to treat intelligence as a career. There must be a national intelligence organization, manned by permanent personnel of the highest caliber and trained as specialists in the components of modern intelligence. This could not be approached through the uncoordinated activity of the departmental units now engaged in "haphazard demobilization."

The Committee unanimously concluded that it was more nearly in agreement with the proposal of the joint Chiefs than with any other suggested plan. It therefore recommended the creation of a National Intelligence Authority over a central intelligence agency, whose director, to insure continuity, should be appointed for a term of at least six years. It elaborated on the joint Chiefs' idea that the director should consult with the departmental chiefs of intelligence by providing that the advisory board they made up should consider all important questions,

and the director should obtain its opinion before delivering estimates to the President or other members of the Authority. If there were differences of opinion between the director and members of this board, his decision should be controlling but their opinions should accompany his report.

The Committee further modified the joint Chiefs' plan by proposing, as General Magruder had urged, that the new agency be the sole instrument for foreign espionage and counterespionage. And a third change, also suggested by Magruder, provided that the agency should have an independent budget through appropriations granted by Congress without public hearings, even though this would require additional legislation.

Lovett himself, appearing before Secretaries Byrnes, Patterson, and Forrestal in their meeting on November 14, gave a summary of the report. He spoke particularly of its conception of a "reading panel," the proposed Intelligence Advisory Board in its capacity as an estimating body. The principal civilian agencies as well as the military intelligence services should be represented on it. The FBI, in particular, had the "best personality file in the world" and incidentally was expert in producing false documents, an art "at which we became outstandingly adept" during the war. The advantage in this plan, Lovett emphasized, lay in the fact that conclusions would be reached not by one man but by a board; it would avoid "the danger of having a single slanted view guide our policies." Thus he joined William H. Jackson in advocating collective responsibility for national intelligence estimates. When McCormack early in December accepted a National Intelligence Authority as provided in the plan of the joint Chiefs of Staff, representatives of the Army and Navy feared that they could lose their grip upon the negotiations unless they countered with a new initiative. As it turned out, McCormack, in carrying out Secretary Byrnes' instructions that he "resolve the issues" with the Secretaries of War and the Navy, was himself to become an issue. Critics within the State Department took exception to his insisting upon a separate office for intelligence and research which he would direct. It was over this question that he eventually would resign from the Department on April 23, 1946.

Now at Christmas time in 1945, General Magruder expressed the opinion of the military men with his accustomed poise and candor. just a few months before there had been only scattered voices crying in the

wilderness, Magruder's among them. Now many, many people were urging the necessity of a central intelligence agency and adopting the slogan as a new and original cause. The congressional investigation of Pearl Harbor was having an evident effect upon public opinion. But although there was general agreement in the Army and Navy about the urgency of doing something as quickly as possible, they felt that the McCormack plan was inadequate and administratively unsound. It placed undue weight in the State Department. Admiral Souers brought an influential voice into the military and -naval chorus. He drafted a memorandum from Admiral Nimitz to the Secretary of the Navy. As against the State Department's plan, the proposal of the joint Chiefs of Staff was more likely to assure sound national intelligence and would prove more satisfactory to the Navy. Nimitz, who had not cared much for OSS during the war, now favored the central intelligence idea. The product of the new agency would reflect the best judgment of experts from all the departments; it would not be dominated by any one of them. He recommended that the President should select its director from the Army, the Navy, or the Marine Corps.

If the director were from the armed services, a non-political administration would be assured and its intelligence estimates would be unbiased and objective. The director would be subject to military discipline, continuing after his retirement, and could be required to avoid publicity. The plan of the State Department was objectionable because the Secretaries of War and the Navy might not be informed of the intelligence furnished the President by the State Department. There was more to the memorandum; but these arguments are enough to show that Souers and Nimitz, like Leahy and others, were parties to a resolve that the Department of State should not take over where the Office of Strategic Services had left off.

Admiral Souers feared at one time that the Army might desert the Navy and accept terms with the State Department. An elaborate arrangement was in the making to incorporate much of the joint Chiefs' plan with the McCormack plan and provide for assignment of an Army or Navy officer to the State Department as chief executive for the Authority. Army men were talking of reservations which might be made if the McCormack plan were accepted. At the request of President Truman, Souers submitted a memorandum on December 27 stating his objections to the McCormack plan and explaining why he thought that the interests of the President would be better protected under the plan of the joint Chiefs.

Souers argued that McCormack's plan did not give the Army and Navy equal access to the President with the State Department. The evaluation of information was not an exact science, he said, so every safeguard should be imposed to keep any one department from having the opportunity to interpret information to support previously accepted policies or preconceived opinions.

The plan of the joint Chiefs, on the other hand, placed the National Intelligence Authority on a higher level than any department. The President would appoint an outstanding man of ability and integrity to be director. Through pooling of expert personnel in the central agency, there would be more efficiency and economy. There would be a full partnership among the three departments and operation of the central agency "on a reciprocal basis." The suggestion fitted neatly into the recommendations of the Eberstadt Committee for reorganization of the Army, Navy, and Air Force and their closer association with the State Department in a National Security Council.

Admiral Souers ended this memorandum for the President much to his own amusement when he read it again in the spring of 1952 with the declaration that he was not a candidate for the job of director and could not accept even if it were offered to him.

With Admiral Souers, personal friend of the President, and Admiral Leahy, his Chief of Staff, favoring the joint Chiefs' proposal, the representatives of the Army and Navy were spared having to press upon McCormack their formal rejection of his plan. There is no reason to suppose that President Truman himself did not prefer an arrangement which promised to bring all of the departments more effectively together in a common enterprise. In any case, though the full story may not yet be known, Secretary Forrestal of the Navy waited upon the Secretary of State as Byrnes momentarily returned to Washington from Moscow, before setting out again for the meeting of the United Nations Assembly in London and more wrangling with the Russians. The tale still going the rounds is that Forrestal said to Byrnes: "Jimmy, we like you but we don't like your plan. Just think what might happen if another William Jennings Bryan were to succeed you in the State Department."

On Sunday, January 6, 1946, with Under Secretary Royall acting for Patterson, the secretaries met in the Shoreham Hotel and agreed upon

the plan of the joint Chiefs of Staff, omitting the provision for a representative of the joint Chiefs in the National Intelligence Authority. On January 9, in a conference at the White House attended by Samuel Rosenman, Admiral Leahy, Commodore Vardaman, and Admiral Souers, Budget Director Smith still argued for the State Department plan. But President Truman said at the end of the conference that the draft directive the secretaries had brought was what he wanted, and he asked that representatives of the Bureau of Budget and of the Department of Justice, together with Admiral Souers, who was to become the first Director of Central Intelligence, make such changes in it as were necessary to conform with legal and budgetary requirements.

Comparison of the secretaries' draft with the directive as finally issued on January 22, 1946, reveals interesting differences. Admiral Leahy was restored as fourth member of the National Intelligence Authority, but instead of attending for the joint Chiefs of Staff he was to be the personal representative of the President. This had been proposed the previous year in the plan of the joint Intelligence Committee; it restored in some degree General Donovan's original concept that the central intelligence organization should be in the Executive Office of the President. The head of the new organization would have immediate access at least to the President's personal representative and would not have to approach the President through the secretaries of the departments. It seemed a fair working compromise of the opposing principles of coordination and chain of command. The wording of the directive somewhat obscured the unity of the proposed national intelligence system so evident in the joint Chiefs' plan. The new agency of the Authority was named the Central Intelligence Group and described as consisting collectively of persons assigned from the departments by the three secretaries. It was an assemblage of delegates, not a unified institution, working under a Director of Central Intelligence who was not one of them.

It is generally held that the change of name from Agency to Group was necessary pending an act of Congress to place the new organization on a statutory basis: legal connotations of the word "agency," according to the Bureau of the Budget, made its use impossible until such legislation had been obtained. In the light of subsequent controversy and friction, however, one would suspect that the collective concept had more adherents within the Group than that of unity.

The head of the new organization, on the other hand, was not Director of the Central Intelligence Group but Director of Central Intelligence. This has been explained as necessary merely because the organization was not to be called an agency. The explanation is not so significant as the latent meaning within the title. The phrase Director of Central Intelligence, neither qualified nor confined to a particular institution, is heavy with connotations of power and responsibility at the center of the national intelligence system.

There were stipulations within the directive to support this view. The Director of Central Intelligence was to plan for coordinating the activities of the intelligence agencies in the three departments. To the extent approved by the Authority, he could inspect the operations of the departmental intelligence agencies in connection with this planning. He should recommend to the National Intelligence Authority the establishment of policies and objectives of the "national intelligence mission." He should accomplish the correlation and evaluation of intelligence for strategic and national policy and its dissemination within the government. And in doing this, he was to have full use of the staff and facilities of the intelligence agencies in the three departments. All of these duties and functions, though controlled by the President and the National Intelligence Authority, gave the Director more than mere administrative control over the Central Intelligence Group. Whether or not he would be successful in exercising that superior power beyond the Group remained to be seen in practice. The Director of Central Intelligence had also to perform services of common concern for the departments, where the Authority determined that they could be performed more efficiently by the central organization. But there was significantly omitted the stipulation that he should perform the service, which the joint Chiefs' plan had included, of procuring secret intelligence. It seems likely that the advocates of central intelligence were anxious to get the new system established and at work, and the exclusive right to collect secret intelligence was a controversial issue which could be set aside for a time while the new Director embarked on his other duties.

Magruder, Lovett, and others wished to place the clandestine activities of SSU in the new central intelligence organization. William H. Jackson, among others, thought that secret intelligence and counterespionage should be functions of the State Department; he was still to consider this possibility with Allen Dulles in the spring of 1948. Members of the

Military Intelligence Services, and doubtless of the Office of Naval Intelligence, as well as J. Edgar Hoover of the FBI, were opposed to giving the Group the exclusive right to collect secret intelligence abroad. They did not wish to be denied the right to continue running whatever secret operations they wished. It would take time to settle the issue, if it ever would be finally settled.

The directive, prepared under the eye of the Department of Justice, took care, in addition to denying police and law-enforcing power to the Central Intelligence Group, to provide against its interfering with "internal security functions." Moreover, nothing in the directive should be construed to authorize the Group to make investigations within the United States and its possessions except as provided by law and the directives of the President. Anyone who still thought that it was intended to set up an American Gestapo should by this time have given up his fears.

But those who were to put the Central Intelligence Group to work in parallel with the Federal Bureau of Investigation were on their way to trouble. Distinctions between secret intelligence or espionage and security intelligence or counterespionage are easy to make on paper. They are difficult to maintain in practice. And to divide either function or both arbitrarily according to geographical areas assigned to separate administrations ignores the fact that operations in one without careful association with the other are likely to jeopardize both.

BIBLIOGRAPHY

1. Adapted from a history of the CIA to 1950 completed by the author in 1953. For a preceding portion, devoted principally to the OSS, see Studies VIII 3, p. 55 ff.
2. See Studies VIII 3, p. 85 f.
3. Studies VIII 3, p. 82.
4. Taken from a memorandum of the following November 14 to Secretary Forrestal. The testimony proper before the Lovett Committee was not

available to the author.

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