The Central Intelligence Agency (CIA) is America’s most enigmatic institution. Its mission requires secrecy, and, as a consequence, it and its history are shrouded in mystery. The “Company,” nevertheless, is among America’s most well-known institutions, with its own YouTube site, Facebook page, and Twitter account. “CIA” is likewise among the world’s most recognizable acronyms, and millions of people around the globe and within the United States consider the agency both a primary instrument of and an appropriate metaphor for US foreign policy.

The enigma of the CIA goes beyond its notoriety. Opinion poll after opinion poll in the United States reveal that it is among America’s most unpopular, disrespected, and mistrusted institutions. “The agency’s a funny place,” reads a recent comment, by one of its own veterans no less. “It’s like middle schoolers with clearances,” he explained. Politicians and officials of both parties, from the president on down, are finewith this description and reputation. Attributing a policy disaster, security lapse, or even a war to an intelligence failure is easier for the American public to understand than would be a deep dive into the policymaking process, and of course the policymakers and legislators escape blame. Further, intelligence gaffes seem susceptible to quick fixes. The offending intelligence officers can readily be replaced, institutional reforms can be enacted, more spies can be sent into the field and better satellites built, and analysts can be more rigorously trained. For most Americans, writes another CIA veteran, the Company is a “combination of hope chest, voodoo doll, and the portrait of Dorian Gray.”

Still, despite, or in a perverse sense because of, the CIA’s image and reputation, the Company is unequivocally a cultural icon. The year 2001 and the

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tragic attacks on the Pentagon and World Trade Center brought unprecedented and unwelcome attention to the agency for its failure to "connect the dots" and prevent al-Qaeda’s long-gestating operation. It was also the year that three popular series focusing on the CIA debuted on network television: “Alias” on ABC; CBS’s “The Agency,” and Fox’s “24”. All featured an attractive cast of racially and ethnically diverse men and women who are committed, competent, and courageous. Coincidentally, yet in retrospect appropriately, each of the programs aired for the first time only weeks after the 9/11 tragedy. In fact, CBS changed the sequencing of “The Agency’s” episodes because the framework for the pilot script, an al-Qaeda plot to attack the West (Harrods in London) that repeatedly refers to Osama bin Laden, would have struck a raw nerve. Shortly after the show proved a success, however, CBS ran the pilot.²

While coincidental (the writers and producers were of course unaware of al-Qaeda’s plans), the plot lines and character of these programs are revealing and suggestive of how twenty-first century Americans have come to perceive and understand the CIA. The television shows prior to 2001 that revolved around the agency were very different. “Get Smart” (1965), for example, was a slapstick comedy. “I Spy” (1965), with Bill Cosby, the first African American to play a lead in a television drama, was a light-hearted vehicle for promoting civil rights. And “Mission Impossible” (1966), which featured a make-believe CIA and decades later was turned into a series of movies to show off Tom Cruise, was pure escapism. None made an attempt to portray the CIA seriously; none raised any one of the multiple ethical, let alone legal, questions inherent in its responsibilities and behavior. This is how the CIA wanted it. Indeed, the agency went so far to buy the movie rights to novels to ensure that they never became movies and to refuse to cooperate with those movies that actually illuminated the CIA.³

This changed with the films about the CIA made during and in the wake of the Vietnam War, Watergate, and the Congressional hearings held in the mid-1970s to investigate the agency’s misconduct. These were big Hollywood productions that represented the agency as not only un- or anti-American, but also as institutionally evil. There was the deadly and paranoid CIA featured in the director Michael Winner’s “Scorpio” (1973), the misanthropic CIA portrayed in Sydney Pollack’s “Three Days of the Condor” (1975), and the reprobate and renegade CIA of Oliver Stone’s imagination in his 1991 “JFK.” The “Hunt for Red October” (1990), “Red Storm Rising” (1992), and “Patriot Games” (also 1992), all based on Tom Clancy novels, were the exceptions that proved the rule. Through
the exploits of Harrison Ford’s Jack Ryan, they sought to evoke what the historian Walter Hixson calls the Reagan-era “Cult of National Security.” Because these films received Washington’s cooperation, they signaled a transition in the CIA’s filmography.4

With the end of the Cold War and as a result of the increased attention to domestic concerns paid by the White House, Congress, and the American public, the CIA leadership concluded that the agency was desperately in need of a public makeover. In the popular consciousness, James Bond was out, and Gordon Gecko was in. The CIA thus judged it vitally important to refurbish its image in order to bolster appropriations and to recruit America’s best and brightest at a time when many Americans defined the Company as an unsavory relic of a bygone era. In 1996, therefore, the agency appointed Chase Brandon as its official liaison to Hollywood and permitted former employees to serve as consultants and even extras. For the purpose of projecting authenticity, “The Agency” was the first television program to receive official sanction to film inside the CIA’s headquarters in Langley, Virginia. Although the three shows that came out in 2001, as illustrated most forcefully by “24’s” Jack Bauer, uniformly concede the moral ambiguity that so pervades the CIA’s culture and mission (that mission is all but exclusively identified with operations; intelligence analysts typically make only cameo appearances if they are present at all), they present agency personnel in virtually every instance as discovering that a career spent battling against the forces of evil is as rewarding as it is exciting.5

Blockbuster movies that came out during this same brief window of time after the 9/11 tragedy and before America’s invasion of Iraq turned into a nightmare, such as “Spy Game” (2001) and “The Recruit” (2003), project the same dynamics as the trio of 2001 television series. They portray the CIA as a bastion of patriotism and a dream job. In the former, megastars Robert Redford and Brad Pitt engage in virtually criminal behavior, but the viewer cannot help but applaud their professionalism, courage, noble self-sacrifice, and sense of brotherhood. As an MIT-trained computer whiz in “The Recruit,” Colin Farrell forfeits the certainty of earning great wealth, endures the rigors of training at the “farm” (the CIA’s facility at Camp Peary in Virginia), and becomes a dazzling and dashing mole-hunter simply because, as Al Pacino explains, he “believes.” The demographics of the recruits at the farm also showcase that the Old Boys network that once defined the CIA had become a mix of race, ethnicity, and gender. Indeed, the CIA in 2004 hired Jennifer Garner, the seductive Sydney Bristow who in “Alias” is as well educated (she is fluent in countless languages) as she is expert in martial arts, to introduce
the recruitment video it showed at college job fairs as the agency sought to bolster its work force after years of erosion. "In the real world, the CIA serves as our country's first line of defense," Garner says. "Right now," she continues, "the CIA has important, exciting jobs for U.S. citizens."

The silver and television screens have remained vehicles for communicating Garner's message. "Burn Notice," which debuted in 2007, and "Covert Affairs," first broadcast in 2010, have once again treated viewers to stylish and gorgeous agents who are highly principled and display almost superhuman skills and wisdom. They even reflect wholesome family values. Nevertheless, the contemporary environment's influence on popular representations of the CIA is palpable. Intense public criticism of the agency attended the congressional investigations of 9/11 and the production of the fatally flawed National Intelligence Estimate (NIE) in 2002. That estimate erroneously claimed that Iraq's tyrannical dictator Saddam Hussein had a hidden cache of weapons of mass destruction (WMD) which he was trying to supplement with a nuclear capability. The CIA was further pummeled as the death totals mounted in Iraq and it was branded as an agency that kidnapped, tortured, and assassinated. Adding insult to injury, Congress knocked it off its pedestal by enacting the 2004 reform legislation that established a director of national intelligence, effectively "demoting" the director of central intelligence (DCI) and, in principle, the agency itself.

Within this context, the darker images of the CIA resurfaced. In the 2004 summer miniseries "The Grid," which serendipitously premiered in a two-hour special the week that the report of the National Commission on Terrorist Attacks Upon the United States (9/11 Commission) became public, turf wars within the Intelligence Community marred the Global War on Terror that President George W. Bush declared soon after the 9/11 attacks. The chief culprit is the Tom Skerritt-played CIA director, who is only slightly less dastardly than the Middle Eastern terrorists. The next year, in "Syriana" George Clooney won an Oscar for portraying Bob Barnes, a CIA assassin whom the Company scapegoats, double-crosses, and ultimately kills when he unwittingly jeopardizes agency operations in the Middle East that almost unintelligibly blend geopolitics, oil, and arms sales. Matt Damon’s Edward Wilson in "The Good Sheperd" (2006) is a composite of James Jesus Angleton and Richard Bissell: one a former chief of counterintelligence, the other a former deputy director of plans, both renowned, for different reasons and with various degrees of validity, as evil geniuses. Not only does a mole penetrate the highest corridors of the CIA and an agent fall victim to a seductress, but also the agents in this movie sanction an
interrogation that ends up in suicide and are complicit in a woman’s falling
to her death from a plane. Although former agents consulted on these films
and programs as well, they essentially “went rogue.”

The complexity of these depictions proved popular. Playing a very
different kind of character, Damon turned the series of Bourne movies
into a franchise; CIA assassins are out to get him because he was a CIA
assassin. Leonardo DiCaprio and Russell Crowe, both “A-listers” like
Damon, costar in “Body of Lies” (2008), a film based on a novel by the
Washington Post’s respected national security columnist David Ignatius.
It portrays counterterrorism as the equivalent of just war, but the CIA’s
ends-justifies-the-means philosophy intentionally raises troubling ques-
tions for the viewer. “Salt” (2010), starring Angelina Jolie, whom one
assumes the producers intended to supplant Jennifer Garner as the “face” of
the CIA, is replete with so many double agents and so much double dealing
that distinguishing the good from the bad becomes virtually impossible.
“Fair Game” (2010) is faithful to the memoir by Valerie Plame Wilson
about her “outing” as a covert CIA officer by the Bush administration.
Allegedly , the White House cost Plame her career and potentially her safety
in retribution for her husband, Joseph Wilson (Sean Penn was pointedly
maintained that the White House and Pentagon built the march to war in
Iraq on a foundation of sand by challenging the claim that Saddam Hussein
sought to purchase “yellowcake” uranium in Niger. As Plame, Naomi Watt
is allied with angels; her CIA colleagues are not.

What is especially distinctive about “Fair Game” is that, absent from
virtually all media portrayals of the CIA, analysts make a brief yet highly
instructive appearance. Analysts are the bedrock of the CIA. For good
reason, however, they do not fit the agency’s conventional storyline.
Nevertheless, as “Fair Game” intimates but does not make explicit, analysts
were the lead actors in the mistaken Iraq War. Dramatically embodying the
challenges posed by the need to estimate likelihoods based on weighing
knowns against unknowns, what Richard Betts has famously labeled the
“enemies of intelligence,” Vice President Dick Cheney’s chief of staff, I.
Lewis “Scooter” Libby, berates a poor analyst both for not being able to
eliminate uncertainty in his estimating and also for failing to appreciate the
consequences of that failing. Insight and sophistication drive the dialogue.
“I don’t make the call, Sir,” explains the young analyst. “Yes, you do Paul,”
retorts Libby. He then exposes the intelligence analyst as naive and, judging
from each of their facial expressions, somewhere between useless and
fraudulent. “Each time you interpret a piece of data. Each time you choose a ‘maybe’ over a ‘perhaps,’ you make a call. A decision. And right now you’re making lots of little decisions adding up to a big decision and out there’s a real world where millions of people depend upon you being right. But what if there’s a one percent chance you’re wrong. Can you say for sure you’ll take that chance and state, as a fact, that this equipment is not intended for a nuclear weapons program?”

“Fair Game” is evidence that in an era defined by insecurity and counterterrorism, popular representations of the CIA, while often critical, seek to complicate the agency’s story by projecting its complexity. The agency envelops the good, the bad, and the ugly. Merely by casting Tom Hanks as Charles Wilson, the Texas Congressman whose memory would have been erased from the public consciousness had he not had such great success appropriating funds for the CIA’s “covert” war in Afghanistan, the director (Mike Nichols) and screenwriter (Aaron Sorkin, made famous by his liberal rendering of the White House’s “West Wing”) of “Charlie Wilson’s War” (2007) signaled that clandestine or not, and notwithstanding the leadership role of CIA Director William Casey, this was a “good war.” Despite later developments associated with the formative experiences of Osama bin Laden and the rise of Taliban rule, in Afghanistan the United States in the 1980s was on the right side of history.

The same holds true for the more recent Ben Affleck-directed “Argo” (2012), which won the “Best Picture” Academy Award and in which the celebrated actor also starred. The film’s introduction does refer to the CIA’s 1953 operation to restore the Shah to Iran’s Peacock Throne, a catalyst for the movie’s subject: the 1979 Hostage Crisis. Further, reminding CIA agent Tony Mendez (Affleck) how the agency dismissed Iran’s potential for revolution, a foreign colleague implies that the agency contributed to the crisis in the first place. Nevertheless, the effort to rescue the six “houseguests” of the Canadian embassy is as daring and imaginative (the movie takes much literary license with the true story) as it is successful. This triumph is that much more impressive because the agency is content knowing that the operation must remain classified, and thus it will not receive any credit for its creativity and heroism.

More complicated, and more controversial, is another 2012 film, “Zero Dark Thirty,” which tells the story of the successful hunt for bin Laden. Like “Argo,” it packs star power. The director Kathryn Bigelow and writer Mark Boal are both Academy Award winners. And like “Argo,” “Zero Dark Thirty” was a box office draw that received critical acclaim (it was also
nominated for the Best Picture Oscar nomination). In this case, however, not only did the CIA and other government agencies cooperate extensively but also Boal, a former embedded journalist in Iraq, conducted his own research and interviews. One consequence is that the CIA’s workforce, the everyday analyst and operative with a GS 13 or 14 pay grade, emerge as protagonists. Another consequence is that the film, which debuted to allegations by conservatives that its intent was to bolster Barack Obama’s presidential campaign, ultimately received withering criticism from liberals that may have cost it the Best Picture Oscar. They charged that “Zero Dark Thirty” implies that torture, especially waterboarding, the graphic depiction of which introduces the story, yielded crucial information. Yet, lost on most critics is that the storyline suggests that mundane data mining yielded even more crucial information. What distinguished the movie from practically all others distinctive about the movie is its juxtaposition of Ian Fleming and Malcolm Gladwell. It credits hard work and professionalism more than adventurism and risk taking. “Bin Laden wasn’t killed by superheroes,” Boals commented in explaining the narrative. “These are people doing their job, and in a sense that’s extraordinary, and in a sense it’s not.”

Like these films, Americans’ image and opinion of the CIA is complicated and even dissonant. The television program that won the Emmy in 2012, and certainly the most acclaimed show about the CIA ever on TV, perhaps reflects the complex and, indeed, alien universe that most Americans associate with the Company even more effectively than does “Zero Dark Thirty.” “Homeland” is riddled with ambiguities of every kind. The values and commitment of CIA agent Claire Danes’ Carrie Mathison are unimpeachable. Her mental health is not, however, and especially when off her medication, neither is her judgment. She is in love—or not—with Nicholas Brody, a Marine captured in Iraq who returns to the United States years later as either a hero—or terrorist. In the second season, Brody is unmasked as the latter and a tearful Carrie realizes, post-electric shock treatment, that, in contrast to the prelude to 9/11, about which she is obsessed with making amends, she got it right. The ambiguities, nevertheless, remain (congruent with the show’s framing, what turned Brody against the United States was a drone strike that killed the son of the terrorist Abu Nazir, Carrie’s Moby Dick). The second season ends with Quinn, who represents the blackest of the CIA’s special operations (SO), refusing to assassinate a repentant Brody. He only shoots “bad guys,” he explains. But after a bomb kills 200 attendees of the vice president’s funeral service, including the official who ordered the assassination, the viewer is left wondering whether Brody is a “bad guy”
after all. Only Carrie seems certain he is not. There are no superheroes in the "Homeland's" CIA. Both state and society are unremittingly vulnerable, and the boundaries between friend and foe are blurred and fluid.¹¹

One need not exhaust the catalog of films and television shows (that catalog is massive) to demonstrate that, whether represented as virtuous or villainous, the CIA is as central to America's popular culture as it is to its national security. (In 2011, Valerie Plame signed a deal with Penguin to write a series of novels that, she hopes, will transform "how female C.I.A. officers are portrayed in popular culture.").¹² This is significant. Even as a fictional and very often caricatured CIA became ubiquitous (and the number of novels far surpasses that of movies and TV series), the history of the "real" CIA has remained carefully guarded. Most Americans, and even more non-Americans, know much of what they know about the CIA from their imagined representations in film and television. As attested to by the intense controversy during the 2012 presidential election over the confused intelligence reporting concerning the killing of the US ambassador to Libya in Benghazi, what Americans know is, accordingly, limited and frequently misguided.¹³

This is not to claim that there are not very solid studies of the CIA by historians, political scientists, and other scholars, and journalists have written even more. The spate of memoirs by former CIA agents and officials, moreover, sometimes seems endless. But they uniformly suffer from some shortcoming: limited access to documents, a focus that is either too narrow or too broad, an axe to grind, or a score to settle. Further, capturing the CIA as an institution presents a unique set of problems. It is a distinct entity that is also shorthand for the entire intelligence community. In addition to the Federal Bureau of Investigation (FBI) and the National Security Agency (NSA), that community is composed of more than a dozen other elements, about which most Americans are ignorant. Most observers and even experts perceive the CIA as a nest of spies and clandestine operators. Yet it was established for the express purpose of intelligence analysis and dissemination, a mission that has been sacrificed to a misguided emphasis on covert and paramilitary projects that its designers did not intend for it to undertake. Put another way, examining the CIA requires not only addressing questions about what it does and has done. Equally important are questions about what it is, and as I argue in this book, what it should be. The central goal of this history is to provide answers to these questions.
Geneology

What makes resolving the issue of the CIA’s identity more difficult is the place intelligence occupies in American political (as opposed to popular) culture. Only with memories of the devastation wrought by the Japanese at Pearl Harbor still vivid, and when confronted with what many Americans, public officials, and private citizens perceived as a life or death struggle against an evil greater than Nazi Germany, the Godless Soviet Empire, did the United States establish a CIA. Before the middle of the twentieth century, the very concept of a permanent civilian intelligence agency seemed anathema to American ideals and values. Americans did, of course, recognize, and frequently celebrate, the contributions of espionage to their history. Although he did not succeed in providing George Washington with any useful intelligence, and although prior to hanging in 1776 he probably never said, “I regret that I have but one life to lose for my country,” Nathan Hale, the nation’s first spy, remains among the pantheon of martyred American heroes. Yet, he is peripheral to, if not, an outlier in the American narrative.14

As is the case with so much associated with the history of intelligence in the United States, the story of Nathan Hale blends myth with history. What is indisputable, nevertheless, is that espionage was crucial to America’s growth and safeguarding its security. The Revolutionary War produced the Culper Ring, the United States’ initial spy network organized in New York City in 1778, and the Civil War gave rise to most notably, but not exclusively, the Pinkertons. In 1889, as the United States began its ascent to global power, the Navy Department established the Office of Naval Intelligence (ONI), and shortly thereafter the War Department followed suit with the Division of Military Information (soon renamed the Military Intelligence Division, MID, and organized under the General Staff as G-2). The State Department, moreover, had long relied on its Foreign Service officers for vital intelligence.15

Successive US administrations made no attempt to coordinate intelligence collection and analysis, however, let alone establish a centralized institution for these purposes. During the First World War, for example, the War Department created an effective signals intelligence (codebreaking or cryptanalytic) unit known, instructively, as the Black Chamber. In the war’s aftermath, this unit continued under the leadership of Herbert Yardley and the joint direction and funding of the War and State Departments.
Allegedly uttering the infamous sentence “Gentlemen do not read each other’s mail,” Secretary of State Henry Stimson shut the Black Chamber down in 1929, just as the Versailles system began to unravel. Suffice it to say, for more than a century Americans had been reading each other’s mail. Yet, to Stimson and the nation’s elite, sanctioning such behavior as an institutionalized feature of the state would undermine US values, its ideals, its exceptionalism.16

The shock of Pearl Harbor and US entry into World War II substantially ameliorated America’s antipathy toward spying. And Stimson’s definition of an American “gentleman” led the way. Convinced that the reports on the situation in Europe he received in the late 1930s from his ambassador to Great Britain, Joseph Kennedy, were unreliable, President Franklin D. Roosevelt sent William “Wild Bill” Donovan to England to provide him with a second opinion. Roosevelt appreciated that Donovan, a prominent Republican millionaire attorney who had once run for governor of New York, a Congressional Medal of Honor recipient, and an intimate of Secretary of the Navy Frank Knox would insulate the administration from the criticism of anti-New Deal partisans and isolationists, which many at the time considered inseparable. Donovan assessed the British chances against the Germans, particularly with US assistance, more positively than did Kennedy. He also developed a relationship with William Stephenson, London’s intelligence liaison to Washington, and became a fan of the British Secret Intelligence Service (SIS or, as more commonly known, MI6). The World War I hero recommended that the United States set up a comparable institution; Roosevelt was sympathetic to the idea. In July 1941, while the United States was still at peace, by executive order the president established the Office of the Coordinator of Intelligence (COI), appointing Donovan as its chief. Some six month after Pearl Harbor, Roosevelt abolished the Office of the COI and replaced it with the Office of Strategic Services (OSS). In doing so, the president followed Donovan’s advice that it would be less bureaucratically divisive if the intelligence organization reported to the military. “Wild Bill,” resuming his World War I rank of colonel, remained in charge.”17

Four future directors of the CIA (DCIs) served in the OSS: Allen W. Dulles, Richard Helms, William Colby, and William Casey. Other OSS veterans included Ray Cline and Frank Wisner, who later became CIA deputy directors, and subsequent government officials and public intellectuals such as Arthur M. Schlesinger, Jr., David Bruce, Walt Rostow, Carl Kaysen, and Douglas Cater. Its ranks included an inordinate number of the Ivy
Leagues’ “Best and the Brightest,” the majority of whom held positions in the OSS’s Research and Analysis (R&A) Branch. Represented by such later CIA legends as Sherman Kent and Walter Pforzheimer, more than forty members of the Yale class of 1943 worked in World War II intelligence.18

The continuation of a centralized US intelligence agency once the war ended was anything but inevitable; the evolution from the OSS to the CIA, anything but inexorable. There is some truth to the claim by Donovan’s most recent biographer that “his OSS was the Petri dish for the spies who later ran the CIA.”19 But the story of the CIA’s lineage is much more complex, and much less linear. Despite the dramatic expansion of the OSS between 1941 and 1945 and its panoply of activities, which ranged from sabotage, “black propaganda,” and even secret negotiations to espionage, code-breaking, and analysis, from the start Donovan’s efforts to ensure the office’s permanency and make it equal to other military services generated heated opposition. The Army’s G-2, the Navy’s ONI, and the Department of State resisted what all construed as Donovan’s infringements on their autonomy. No less resolutely, J. Edgar Hoover of the FBI (the FBI had a branch for Latin American intelligence, the Special Intelligence Service), fiercely defended his turf. In a context that one political scientist suggests proves true the adage that politics make for strange bedfellows, they joined forces against Donovan.20

Defining precisely what kind of wartime agency Donovan ran presented him and his advocates with additional difficulties. Comprising the OSS were three different branches: Research and Analysis, Secret Intelligence (SI), and Special Operations. While the William Langers, Arthur Schlesingers, Walt Rostows, Sherman Kents, and other scholars and intellectuals tended to populate the R&A, Donovan favored the SI and SO divisions, which generated the most publicity and produced many of the CIA’s future leaders. The branches, in an omen of what would become a principal characteristic of the agency, had little use for one another. This was correctly perceived in postwar Washington as a potential problem in terms of mission and structure. Further, the question of whether a powerful, permanent spy agency could be reconciled with the democratic ideals for which the United States fought troubled a broad spectrum of Americans, as it had their ancestors since the nation’s founding.21

Donovan’s best hope to defeat the powerful forces arrayed against his plans was the burgeoning Executive Office of the President (EOP), and more specifically, Franklin Roosevelt. “Wild Bill” proposed to outflank the military and make the OSS accountable directly to the president. Roosevelt’s propensity to experiment with the unconventional, to innovate, and to
centralize made him a likely supporter and perhaps even a champion of Donovan and a permanent postwar intelligence agency. On April 12, 1945, however, Roosevelt died. His successor, Harry S. Truman, was a novice in matters of international relations let alone foreign intelligence. To wade into such unfamiliar and turbulent waters would require doing battle with those military and government experts on whom he would desperately need to rely. Truman was also concerned that Donovan, politically ambitious and an ardent Republican to boot, was constitutionally incapable of respecting the boundary between a liberal democracy and a police state. To put him in charge of a den of superspies, or a “Gestapo” (the label Truman used repeatedly to express his anxiety over creating a CIA), was unimaginable for the new president.\textsuperscript{22}

Accordingly, on September 20, 1945, Truman ordered the abolition of the OSS, to take effect in less than two weeks. Yet, recognizing that the fluidity of the global environment and the deterioration of relations with the Soviet Union demanded that America maintain its guard and keep abreast of developments overseas, he assigned responsibility for counterintelligence and gathering foreign intelligence to the Strategic Services Unit (SSU), which he placed under the War Department, and responsibility for assessing this intelligence to the State Department’s Interim Research and Intelligence Service. By these measures, he explained to Donovan, the existing “framework of the Government” could accommodate “a coordinated system of foreign intelligence” without violating America’s principles. The president made no effort to accommodate the OSS’s paramilitary (the use of violence or support for others who do) capability.\textsuperscript{23}

Still, Truman recognized the need for a mechanism to oversee this coordinated system. A battle royal erupted over its form—“tougher than I’d seen before; as tough as anything I saw afterwards,” commented a participant. Truman cared only that the entity would be weak. The involved offices cared about their bureaucratic interests. The Departments of War and Navy, in conjunction with the service chiefs, proposed establishing a “National Intelligence Authority” (NIA). Composed of a representative of the Joint Chiefs of Staff and the Secretaries of War, Navy, and State, this authority, which would be funded by the participating departments, would assume responsibility for overall intelligence planning and development. Its instrument for doing so would be a “Central Intelligence Agency,” directed by either a military officer with appropriate experience or a “specially qualified civilian.” The president would appoint this director, who would be advised by an “Intelligence Advisory Board” (IAB).\textsuperscript{24}
State, supported by the Bureau of the Budget and ultimately the Department of Justice (home to the FBI), vigorously objected to the proposal. Already concerned that the influx of OSS personnel would overwhelm its Foreign Service officers, Foggy Bottom balked at the premise that the military services “should have a voice reaching the President as unmistakable as that of the State Department.” It held that the secretary of state should “control America’s intelligence effort” by “determin[ing] the character of the intelligence furnished the President.” Establishing a National Intelligence Authority was a sound proposal, but the secretary of state, the chief architect of US foreign policy, should chair it.25

State relied on Alfred McCormack, special assistant to Secretary of State James Byrnes, to stake the department’s claim to primacy in matters of intelligence. In terms of bureaucratic skill, stature, and conviction, McCormack was no match for Secretary of the Navy James Forrestal. Forrestal was ahead of the national curve in judging the threat posed by the Soviet Union to the United States and its allies as horrifically severe. He was also in the vanguard of government officials convinced that the United States required a substantially improved national security machinery to assess and address that threat. Forrestal commissioned his friend Ferdinand Eberstadt, a prominent investment banker, to recommend measures to reorganize America’s defense establishment and promote more coherent policymaking.26

Eberstadt concluded that the effectiveness of any national security structure required an intelligence agency that could provide “authoritative information on conditions and developments in the outside world.” To draft the section of his report outlining the organization and character of that agency, Eberstadt turned to Rear Admiral Sidney W. Souers, a reserve naval officer who served under Forrestal during World War II. At the time the deputy chief of naval intelligence, Souers’s contribution to the Eberstadt report reflected the perspective of the Departments of War and Navy, and above all, Forrestal. McCormick’s advocacy of a CIA that institutionalized the predominance of the Department of State fell by the wayside.27

Driven largely by the Eberstadt report, Truman’s initial effort at forging a compromise tilted significantly toward the military’s preference. In January 1946 the president did create a National Intelligence Authority. In fact, his memorandum announcing the NIA’s establishment repeated verbatim much of the wording of a memorandum produced by the Joint Chiefs of Staff six months earlier. Rather than a JCS representative joining with the secretaries of war, navy, and state on it, however, a personal representative of the president would. The NIA would supervise a Central Intelligence Group
This CIG would take responsibility for performing the functions necessary to provide the White House and managers of the nation’s security with “authoritative information on conditions and developments in the outside world.” But each department’s intelligence service would retain its personnel and “continue to collect, evaluate, correlate, and disseminate departmental intelligence.” Truman's memorandum prohibited the NIA and CIG from engaging in domestic intelligence gathering or surveillance, and in retrospect of great significance, granted neither the authority to conduct covert operations. The CIG director, to be called the director of central intelligence (DCI), would be the president’s representative to the NIA. For this position, President Truman chose Souers; Forrestal was delighted.

Officially activated on February 8, 1946, and housed in a building with vacant offices and prefabricated huts along the reflecting pool directly to the east of the Lincoln Memorial in Washington, the Central Intelligence Group manifested confusion about its mission from the start. Its primary components were a Central Planning Staff, charged with coordinating intelligence activities, and the Central Reports Staff, which was responsible for producing “national policy intelligence.” At issue was a question that more than a half-century later remains unresolved: What defines national policy (or strategic) intelligence, and through what channels should it flow? Truman wanted “current intelligence,” daily summaries that would obviate his need to read lengthy reports or the volumes of intelligence data that the CIG received. Moreover, while strategic intelligence seeks to imagine the future with the goal of estimating likely developments and identifying opportunities to shape those developments, current intelligence focuses on the present. It especially highlights immediate threats. For most presidents, the immediate threat is the top priority because the administration’s top priority is to avoid a disaster. That was certainly the case with Truman in 1946. Souers obliged him by directing the Central Reports Staff to produce succinct briefs that excluded all material that the president did not need to know at that particular moment. Truman normally read these summaries each evening and drew on them for discussions with his personal military advisor and the presiding officer of the Joint Chiefs of Staff, Admiral William D. Leahy.

While Truman’s wish was Souers’s command, the memorandum establishing the Central Intelligence Group assigned it the task of correlating and evaluating “intelligence relating to the national security, and the appropriate dissemination within the government of the resulting strategic and national policy intelligence.” Directed to concentrate on producing
“current intelligence,” however, the Central Reports Staff lacked the resources to fulfill this assignment, too. In addition, Secretary of State Byrnes claimed that the responsibility for furnishing the president with “current intelligence” belonged to his department. Souers designed a compromise. The Central Reports Staff would produce national intelligence, but current intelligence would be its “first priority.” Splitting this difference did not satisfy the State Department at all. Further, the Central Reports Staff did not receive the additional resources required to produce both; hence, preparing current intelligence for the president’s use came to dominate its “culture.” As a CIA historian wrote, “National estimative intelligence was reduced to also-ran status.”

Souers agreed to serve as DCI only on an interim basis, and his brief tenure was hardly successful. During the three months prior to his stepping down in July 1946, the NIA met but three times. With Forrestal’s star rising in the administration and Byrnes’s poised to fall, the likelihood of Truman’s selecting someone from outside the military to succeed Souers was remote. The odds fell further after Souers recommended Lt. General Hoyt Vandenberg. The chief of the Army’s G-2, its intelligence staff, Vandenberg had the necessary experience — and the connections. He was the nephew of Michigan’s Arthur Vandenberg, the ranking Republican on the Senate Foreign Relations Committee and pivotal to whatever bipartisan support for his internationalist agenda Truman could hope to engender on Capitol Hill. The combination of General Vandenberg’s ambitions and Senator Vandenberg’s political skill and influence augured well for the CIG’s future development. For Truman, appointing Vandenberg DCI was an easy decision.

Vandenberg hesitated to accept, however. He was concerned that occupying the position would interfere with his career trajectory in the military. But in the end, the general agreed to take charge of the fledgling agency in order to bolster his credentials as a leader and empire builder. Not afraid to step on the service chiefs’ toes, Vandenberg was eager to challenge the status quo of the military establishment; his ultimate goal was to be named the first chief of staff of an independent Air Force. Hence, while Souers premised his stewardship of the Central Intelligence Group on the primacy of the services’ (and to a lesser extent the State’s) intelligence assets, Vandenberg sympathized with Donovan’s proposal for a centralized intelligence agency that exceeded the sum of its parts. From his point of view, the DCI should exercise preponderant control of all foreign intelligence and counterintelligence operations. In the words of a history of the CIA written by a staff member of Frank Church’s Senate Committee that
investigated the CIA in the mid-1970s, “The appointment of Lieutenant General Hoyt Vandenberg as DCI on June 10, 1946 marked the beginning of CIG’s gradual development as an independent intelligence producer.”

Vandenberg at first took baby steps, albeit well-designed ones. As the executive agent of the NIA, the Central Intelligence Group could not request appropriations directly from Congress. It depended on the Departments of War, Navy, and State for its funding. But none of these departments had dedicated lines in their budgets for the CIG. Vandenberg’s remedy was to persuade Truman to instruct each department to earmark appropriations explicitly for the CIG and empower him, as director of central intelligence, to disperse them. Although direct congressional appropriations would have been better, through this method the CIG received sufficient funds through vouchers (to ensure that the precise amount of department funds targeted for the CIG remained secret) to purchase supplies and hire its own personnel. Acquiring the independent resources to hire personnel was especially important to Vandenberg. He sought ultimately to wrest control of strategic intelligence from all three of his “patrons.” Improving America’s capacity to assess and disseminate intelligence on the Soviet Union was the raison d’être for the Central Intelligence Group’s establishment in the first place. Moreover, doing so would guarantee it a seat at the national security policymaking table.

Vandenberg displayed intent, ambition, and bureaucratic mettle. He phased out the Strategic Services Unit, the OSS’s foreign intelligence component that Truman had assigned to the Department of War, and folded its responsibilities into an Office of Special Operations (OSO), which would operate under the Central Intelligence Group as he directed. OSO’s mission was to conduct “all organized Federal espionage and counterespionage operations outside of the US and its possessions for the collection of foreign intelligence information required for national security.” Vandenberg then won approval from the National Intelligence Authority to cede to the CIG responsibility for collecting intelligence pertaining to the field of atomic energy and to award it the Foreign Broadcast Intelligence Service. (Later renamed the more innocuous Foreign Broadcast Information Service, FBIS monitored and translated open source material from abroad).

But Vandenberg’s next move was the most significant. He predicted that institutionalizing the CIG’s authority for evaluating and disseminating intelligence would prove more critical for its future legitimacy and clout than its mandate to procure it, because that capacity would make it indispensable
to the formulation of national policy. So in July 1946 he reconstituted the Central Reports Staff as the Office of Research and Evaluation (ORE), which he could now staff with personnel that he did not need to borrow from other departments but could hire independently. When State complained that it was in charge of research and evaluation, Vandenberg renamed his bureau the Office of Reports and Estimates.35

What the Central Intelligence Group and State contested, of course, was not the name but what kind of reports and estimates ORE would produce. This debate reflected the continuing confusion between “current” and “national” intelligence. And who consumed the intelligence was contingent on the kind of intelligence. The conflict was not resolved until a National Intelligence Authority meeting in February 1947. There the representatives from State, War, and Navy agreed to the definition of strategic intelligence that Vandenberg proposed. This definition assured that the reports and judgments produced by the CIG’s Office of Research and Estimates would be a linchpin of the national security policymaking process. The approved wording read, “Strategic and national policy intelligence is that composite intelligence, interdepartmental in character, which is required by the President and other high officers and staffs to assist them in determining policies with respect to national planning and security in peace and war and for the advancement of broad national policy.” Because this intelligence addressed a “political-economic-military area of concern to more than one agency,” its production “must transcend the exclusive competence of any one department.”36

Notwithstanding Vandenberg’s significant achievements, the Central Intelligence Group remained, as described by Lawrence Houston, the CIG’s general counsel who was the principal author of the legislation that established the CIA, “a step-child of three separate departments.”37 Houston’s vantage point enabled him not only to speak with authority but also to appreciate fully the implications of the predicament. As general counsel to the CIG, Houston scrutinized the paper trail that led to its establishment. He concluded that its problem, stripped down to the core, was that it lacked any “authority to act on its own responsibility in other than an advisory and directing capacity.” Houston also learned from his study that the CIG likewise lacked its own statutory basis. And because it lacked a statute that provided it independent standing, federal guidelines precluded it from continuing to function legally in any capacity for more than a year. For Vandenberg, Houston’s discovery was a blessing. By
necessity, the general counsel was forced to draft enabling legislation that would allow the Central Intelligence Group to survive. As a foundation, he drew on the 1944 memorandum written by William Donovan.38

Houston actually began the drafting process while Souers was still DCI. The general counsel dredged up the memorandum that Donovan had written to Roosevelt because it proposed establishing an autonomous entity situated within the Executive Office of the President. Transforming the Central Intelligence Group from a “stepchild” of three departments into an independent organ responsible directly to the president would provide the framework necessary to place it on a sound legal footing. By the time Houston had prepared his initial recommendations, moreover, pivotal members of his “audience” had become more receptive to an independent and empowered CIG. Houston submitted his report three days after Souers had retired, on June 13, 1946. Because of this circumstance, the recipient of Houston’s draft was the far more aggrandizing and independent-minded Hoyt Vandenberg.

Probably more important in terms of Houston’s ultimate success, by June 1946 the US government and its informed public were substantially more disposed toward a powerful spy agency and other pillars of a national security state. George Kennan’s February “Long Telegram” from Moscow and Winston Churchill’s Iron Curtain speech in March of that year were the talk of Washington, the Soviets had behaved badly in Iran, the Council of Foreign Ministers meeting in Paris was degenerating into acrimony, and the hope of reaching an understanding between the Soviets and Americans to control atomic weapons was about to be dashed in the United Nations. Dramatic institutional initiatives were becoming integral to the Truman administration’s nascent Cold War arsenal.

Houston’s enabling legislation for the Central Intelligence Group, nevertheless, ran up against the expected bureaucratic interests and the problem of providing it with a confidential budget. It also became caught in the quagmire over the proposed reorganization of the armed services to produce a single Department of Defense (initially called the National Military Establishment), establish a Joint Chiefs of Staff, and institutionalize other reorganization measures. Then, on top of everything else, Vandenberg resigned. The legislation to establish an autonomous, “enabled” CIA had been incorporated into a broader National Security Act that focused primarily on the reorganization of the defense establishment, including the creation of an Air Force independent of and equal to the other military services. The prospect of breaking the Air Force off from the Army had caused Vandenberg to hesitate before accepting the appointment of the DCI. This was his dream.
With the Air Force’s establishment in the offing, Vandenberg resigned so that he could receive his fourth star and become available to become its chief of staff.

Truman submitted the National Security Act to Congress on February 26, 1947. The single section dealing with a CIA was remarkably brief, even cryptic. It included virtually none of Houston’s initial recommendations, and, for that reason, owed little directly to Donovan’s vision. In addition to creating the Department of Defense, the Joint Chiefs of Staff, and an independent Air Force, the Act called for the establishment of a National Security Council (NSC) composed of the president, vice president, the secretary of state, and the secretary of defense as statutory members. Designed to coordinate among its pillars the increasingly complex national security architecture, the NSC would be situated in the Executive office of the President. Subordinate to it, and accordingly also within the EOP, was the Central Intelligence Agency, the renamed Central Intelligence Group. The president would still appoint the director, but the appointee would now require Senate confirmation. If an active military officer, the DCI could retain his commission and rank. The National Intelligence Authority was abolished.

Covert and Paramilitary Operations

Although the National Security Act specified that the CIA would inherit all the responsibilities of the Central Intelligence Group, it enumerated only in the most general terms what those responsibilities were to be. The Act did, however, incorporate into the section establishing the CIA an elastic clause stipulating that the agency’s duties included performing “such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally.” That clause would serve as something of a blank check for the future, justifying the CIA’s involvement in a remarkable range of clandestine and paramilitary operations few at the time could imagine. But the evidence suggests that Congress did not appreciate this potential. It passed the National Security Act overwhelmingly, and the president signed it into law on July 26, 1947.39

Truman appointed Admiral Roscoe H. Hillenkoetter, who had taken over the directorship of the CIG from Vandenberg while Congress considered the legislation, as the first director of the central intelligence (as opposed to the director of “just” the CIA; as would his successors through the start of the twenty-first century, Hillenkoetter was dual-hatted as both DCI and DCIA). If there was a bureaucratic “winner” (other than Vandenberg), it was
Forrestal. Whatever influence he may have lost over intelligence by the creation of the CIA was more than compensated for by his appointment as the first secretary of defense. What is more, Truman also appointed Forrestal’s ally, Sidney Souers, executive secretary of the National Security Council.

In the fear-ridden Cold War environment of 1947, Congress and the president established the CIA as a component of the largest reorganization in US history of America’s national security machinery — at least until the creation of the Department of Homeland Security in 2002. The significance of this effort both to integrate and cross lines of authority cannot be exaggerated. Although a consensus had developed even before the end of the World War II on the US need for a single agency to coordinate the intelligence services, officials in Washington conceived the CIA as an instrument to fight the Cold War. In addition, the juxtaposition of the CIA’s birth with that of the Office of the Secretary of Defense (OSD), the JCS, and the NSC all but assured that the confusion and discord that had afflicted its predecessor, the Central Intelligence Group, would abate but not cease.

The underlying source of that confusion and discord could not have been more basic. In question was what the CIA should do, and by extension, what the CIA really was. With the National Security Act providing little guidance as to the new agency’s mission, Congress logically identified the Central Intelligence Group as its direct antecedent. In contrast to the multitasked OSS, therefore, Truman’s security managers proceeded from the premise that the CIA’s responsibilities were confined to producing, coordinating, and disseminating intelligence analysis; counterintelligence; and collecting foreign intelligence. Its capacity for collecting foreign intelligence was limited, moreover, because the legislation did not vest in the CIA a mandate for covert operations, often a prerequisite for intelligence collection. Nor did the legislation authorize the agency to undertake paramilitary activities. General Counsel Houston was emphatic when writing for the record: in 1947 that there was not “any thought in the minds of Congress that the CIA under this authority would take positive action for subversion and sabotage,” he made explicit. But there was a loophole: The National Security Act’s elastic clause.40

Truman’s close advisor Clark Clifford claims in his memoir that both Congress and the president understood that the elastic (what Clifford calls the “catchall”) clause granted the CIA license for covert and paramilitary actions. Extant evidence does not support Clifford’s claim, which in contrast to Houston’s he made forty years after the fact.41 Historical circumstances, organizational interests, and bureaucratic politics, not institutional planners or risk-taking adventurers, drove the CIA’s transformation from an
agency established to collect, analyze, and disseminate intelligence to an instrument for engaging in covert, frequently paramilitary operations.

The catalyst for this transformation was the intensifying Cold War and America’s sense of vulnerability in 1947. While the year wore on, the salience of the ongoing Civil War in Greece to the formulation of US grand strategy receded as Communist propaganda threatened to score victories in such vital countries as Italy and France. It was in 1947 that the Kremlin resurrected the disbanded Communist International (Comintern) and reincarnated it as the Cominform (Communist Information Bureau). Top officials in the Truman administration gravitated toward a reliance on psychological warfare as an effective, perhaps the most effective, means of defense. Lacking this capability demanded the “immediate development of an organization, within the framework of the NSC, to implement both white and black psychological warfare designed to the attainment of U.S. national objectives.” Forrestal and George Marshall, the retired five-star general and secretary of state as of January 1947, agreed that America’s military “should not have a part in these activities.” Its mission was defense and armed combat, and its personnel should train accordingly.42

Virtually by default, then, the administration added psychological warfare to the CIA’s portfolio as an “additional service of common concern.” In December the president approved NSC-4, which instructed the “the Director of Central Intelligence to initiate and conduct, within the limit of available funds, covert psychological operations designed to counteract Soviet and Soviet-inspired activities which constitute a threat to world peace and security or are designed to discredit and defeat the United States in its endeavors to promote world peace and security.” Two months later, a Moscow-directed coup in Czechoslovakia purged the non-Communists from the Prague government, leading to the death of the pro-Western foreign minister Jan Masaryk and the hyperbolic “War Scare” of March 1948. In March, Hillenkoetter established the “Special Operations Group” within the Office of Special Operations for the purpose of planning and implementing “all measures of information and persuasion short of physical in which the originating role of the United States Government will always be kept concealed.”43

Proceeding on a concurrent yet distinct track, George Kennan, the director of the State Department’s Policy Planning Staff, aggressively promoted political warfare as a seminal Cold War tool. The “logical application of Clausewitz’s doctrine in time of peace,” Kennan wrote, political warfare encompassed “the employment of all the means at a nation’s command, short of war, to achieve its national objectives.” While overt operations
constituted the “traditional policy activities of any foreign office,” he continued, covert ones included white and black propaganda but also spanned economic assistance programs, political alliances, influencing by funding and supplementary means government officials, labor leaders, intellectuals, and other opinion makers, and even assistance to resistance movements and insurgents. As his definition of political warfare signals, Kennan did not identify the United States as at war. But in his judgment, neither was it at peace. Unlike Europeans, Americans were paralyzed by this ambiguous state of “semiwar,” to use Forrestal’s term. “We have been handicapped” Kennan lamented, “by a popular attachment to the concept of a basic difference between peace and war, by a tendency to view war as a sort of sporting context [sic] outside of all political context.” The Soviets’ exploitation of this advantage would threaten America’s most vital interests.44

As redress, Kennan drafted a directive to designate an official to oversee the conduct of covert operations. He gave the position the title of director of special studies, situated it in the NSC, and assigned the secretary of state the authority to submit the nomination to the president. Kennan had two reasons for devising this organizational chart. First, he feared that the CIA would fall under the influence of former OSS personnel, and he did not trust them. During World War II a ranking British intelligence officer complained about the “hankering” of OSS operative for “playing cowboys and red Indians.” Kennan agreed fully with this criticism. He recalled that OSS “eager beavers” had developed tactical plans which, if implemented, would have severely impaired the achievement of allied strategic objectives.45

Secondly, and inseparable from the first reason, Kennan’s expansive definition of covert operations required their careful integration into and coordination with the spectrum of US foreign policy initiatives. Kennan defined covert operations as essentially any operation that did not precipitate an armed conflict involving “recognized” military force, more precisely recognized US military force, “designed to influence the thought, morale, and behavior of a people in such a manner as to further the accomplishment of national aims.” This required their rigorous alignment with the fundamental foreign policy objectives identified by the Department of State.46

CIA Director Roscoe Hillenkoetter objected to locating the position in the NSC. Doing so would conflict with the CIA’s Special Operations Group’s responsibility for psychological operations. The best resolution, Hillenkoetter proposed, was to place the director of special studies under the CIA’s umbrella. Over the previous months the agency had made “great strides” in improving its covert capabilities, it had “obligated itself
to a considerable expenditure of funds for equipment, transportation, and experienced personnel,” and it had made “firm commitments for clandestine psychological operations outside the United States for a long period of time,” read a memorandum he sent to Souers, the NSC’s executive secretary. Further, seeming to endorse on the one hand but on the other turn on its head Kennan’s argument about the eroding boundary between war and peace, Hillenkoetter asserted that “War-time activities in that field [psychological warfare] should be a natural growth and expansion of peace-time activities.” He judged Kennan’s design as severely misguided.47

For support, Hillenkoetter could point to the CIA’s recent operation in Italy. By channeling money to the pro-Western Christian Democrats, orchestrating a letter writing campaign, and taking other such measures, it helped to engineer the defeat of the pro-Soviet Popular Alliance in the April 1948 elections. Kennan, however, saw things differently. This time turning Hillenkoetter’s claim on its head, he countered that the CIA’s success magnified the very concerns he had expressed. In Kennan’s judgment, the “full might” of the Soviets had now engaged the United States in a “Cold War,” but its effort in Italy was but half-hearted. Americans and their allies could not expect to be so fortunate next time. “The United States cannot afford in the future, in perhaps more serious political crises, to reply [sic] upon improvised covert operations as was done at the time of the Italian elections,” he warned when drafting a report for use as an NSC statement of policy.48

Reversing Hillenkoetter’s diagnosis and prescription, Kennan’s remedy was to strip the CIA of its psychological warfare mission and transfer these responsibilities and the attendant budget to a newly created office with a broader mandate and more dedicated capabilities. The administration would design this entity “to strengthen and extend current covert operations in the interest of our national security and to provide for plans and preparations for the conduct, in time of war, of covert operations and the overt phases of psychological warfare.” Kennan recommended adding paramilitary activities to this portfolio. They included “preventive direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups; and support of indigenous anti-communist elements in threatened countries of the free world.”49

Kennan’s proposal spawned NSC 10/2, the seminal document in establishing the CIA’s covert capability and modern identity, and the grist for today’s popular culture mill. Yet, because Kennan opposed developing that capability within the CIA, the lineage zigged and zagged. This evolution
explains the unorthodox structure and the convoluted history of the organization established to “plan and conduct covert operations.” NSC 10/2 stipulated that the director of what it initially called the Office of Special Projects (OSP) but later renamed the Office of Policy Coordination (OPC) would be “acceptable” and report to the DCI. But it would be nominated by the secretary of state and approved by the NSC. The DCI would, in principle, have no more influence over its behavior than the secretaries of state and defense, and the NSC would arbitrate all disputes. Although the Office of Special Projects would operate largely independently of the CIA, it would receive its funds through the agency’s budget (which, until 1949, was still channeled through State and Defense). Several layers removed from the president and responsible, in a sense, to everyone and therefore no one, the OSP was the foundational stone in erecting the edifice of “plausible deniability.”

Notwithstanding this Rube Goldberg-type structure and, to generously describe the DCI’s authority, his shared responsibility for the Office of Special Project’s operations, the CIA became home to the OSP. That it did facilitated the agency’s incremental acquisition of and progressively less contested control over covert operations. This outcome, once again, was not foreordained. One contributing factor was the mundane operation of government. The consensus within the administration was that the United States needed a covert capability, and it needed one immediately. The only viable alternative to the CIA was the military. But confronted with the perceived increase in the risk of a war in Europe, especially after the Czech coup, and seeking to husband resources in order to exploit its capabilities most effectively, the military leadership balked. A “military organization cannot deal with the political subtleties of this activity,” wrote Forrestal when explaining his reluctance to take on the burden of political and psychological warfare, which Kennan had firmly tied to paramilitary activities. Secretary of the Army Kenneth Royall was more explicit, and more forceful. He did not “want any Army representative to have anything to do with this activity.” That left only the CIA, and little time to devise a work-around. Congress was set to adjourn. If “we are to get into operation in this field before the end of the summer,” Kennan wrote to Marshall and Undersecretary of State Robert Lovett in late spring, the Executive Branch had to act soon or “the possibility of getting secret funds out of Congress for covert operations will be lost.”

But more than the military’s forfeiture and the congressional calendar were responsible for the CIA’s “mission creep.” Around the time of the CIA’s first anniversary, Hillenkoetter and NSC officials created a commission to evaluate its performance, its efficiency, and its relations with other
governmental agencies. Selected as chair was Allen Dulles, whose OSS career had already established him as something of a legend in intelligence circles, and whose brother, John Foster, had become a linchpin in the administration’s effort to reach across the political aisle. Filling out the committee were William Jackson, a veteran of General Omar Bradley’s World War II intelligence staff, and Mathias Correa, the former aide to James Forestall when he was still secretary of the navy. Although this “Intelligence Survey Group” did not complete its now-well-known study until January 1949, it submitted a much less familiar interim report on May 13, 1948, a day after Kennan finished drafting his proposal to quarantine the CIA from covert operations.  

Dulles, Jackson, and Correa entitled their interim report “Relations between Secret Operations and Secret Intelligence” and proceeded from the premise that covert operations would be “directed particularly towards affording encouragement to the freedom-loving elements in those countries which have been over-run by Communism and toward combating by covert means the spread of Communist influence.” The report was emphatic that because of their complexity and dangers, these operations must not be “farmed out” to various agencies lest doing so lead to “duplication of effort, crossing of wires,” and “serious risk for the chains and agents.” For that reason, covert operations should be centralized in one government agency, and the agency designated for that purpose “would have an important bearing on the future of intelligence operations of CIA.” By positing the symbiosis between covert operations and secret intelligence, moreover, the Intelligence Survey Group left no doubt that the centralizing agency should be the CIA. “Allied experience in carrying out secret operations and secret intelligence during the last war has pointed up the close relationship of the two activities,” the report read. Secret operations, it explained “provide one of the most important sources of SI, and the information gained from secret intelligence must immediately be put to use in guiding and directing secret operations.”

NSC staffers found the report persuasive. Their next draft of the directive on covert operations vested authority for their design and execution in an office (which, certainly not by coincidence, it called the Office of Special Services, or OSS) housed in the CIA and directed by a DCI-nominee. Representatives of State and Defense served only in an advisory capacity. Kennan’s objections intensified, leading to him and Hillenkoetter engaging in a game of chicken over who would retreat first. Kennan made the initial move. In early June he drew a line in the sand by recommending that the NSC shut the process down and start all over. Establishing the Office of Special Projects
had been the idea of his Policy Planning Staff, he reminded Undersecretary Lovett. The intent was to “devise some means by which this Government could conduct political warfare as an integral part of its foreign policy.” Setting up this new office in the CIA and consigning the State Department to an advisory role not only “does not appear to meet this need” but, without careful guidance and close supervision, also could easily “cause embarrassment to this Government.” Thus, all projects of the office “must be done under the intimate direction and control of this department,” he exclaimed. Unless this condition was met, and despite the severe cost, above all to policy in Europe, “I think it would be better to withdraw this paper entirely and to give up at this time the idea of attempting to conduct political warfare.”

A frustrated Hillenkoetter seemed prepared to surrender, thereby excising covert operations from the CIA’s mission, perhaps forever. “I should suggest,” he wrote to the NSC, “that since State evidently will not go along with CIA operating this political warfare thing in any sane or sound manner, we go back to the original concept that State proposed. Let State run it and let it have no connection at all with us.” Not finished, Hillenkoetter sought to project himself as the mature statesman whose concern for the greater good compelled him to placate the childish and churlish Kennan, suggesting that he was not prepared to surrender after all. Rather than “try to keep a makeshift in running order, subject to countless restrictions which can only lead to continued bickering and argument, I think maybe the best idea is to go back and make OSP work for State alone,” his broadside concluded, probably disingenuously.

As the battle of memoranda raged, the NSC drafters developed second thoughts. There was merit to the arguments on both sides, and hanging over everything was the question of whether the fledgling CIA could manage this responsibility, especially if a war broke out. This uncertainty combined with bureaucratic politics and the rapidly closing window of opportunity to produce the compromise that framed the directive’s final form. The next draft restored the name of the organization to Kennan’s Office of Special Projects and the authority of the secretary of state to nominate the director. No less significantly, the new directive distinguished between conducting covert operations in peacetime and war. The draft added a sentence to the directive that read, “Covert operations, in time of war or emergency when the president directs, shall be conducted under appropriate arrangements to be recommended by the OSPs in collaboration with the Joint Chiefs of Staff and approved by the National Security Council.” But to Kennan’s chagrin, the OSP’s home was to be the CIA, not the NSC.
Truman signed the directive as NSC 10/2 on June 18, 1948. Kennan's reservations were eased when Marshall selected him as the State Department's representative to the Office of Special Projects, which officially became active on September 1. This apparent connection between the OSP and the Policy Planning Staff augured well for coordinating covert operations with national strategy. In addition, after his first choice, Allen Dulles, turned him down, Kennan recommended that Marshall nominate Frank Wisner as OSP director; the secretary of state predictably accepted the recommendation.\textsuperscript{57}

In this case, Kennan bet on the wrong horse. Unfamiliar with Wisner personally, he had based his recommendation on his experience and credentials. Although Kennan had not misread Wisner's record, he should have done more homework. An OSS veteran and disciple of Donovan who was well connected in his own right, Wisner had earned a reputation during World War II only slightly less lustrous than that of Allen Dulles. He was capable, hard-charging, and ambitious. He was also predisposed to resist “interference” from either the diplomats or the generals. And as the East–West divide hardened, Wisner, a staunch anti-communist, reconfigured the Office of Special Projects (which, within months, he renamed the Office of Policy Coordination to better mask its mission) in order to increase its influence over covert operations and autonomy from State. The military abetted his effort. By appearing to bring the United States close to a direct confrontation with the Soviets, the Berlin Crisis of June 1948 through May 1949 underscored the gaps in American intelligence, gaps that could only be addressed through the collection of secret intelligence. In an effort to furnish it, the military turned increasingly to the one institution responsible for “all-source intelligence”: the CIA. For the CIA, these sources included not just those from within the Soviet bloc, defectors, for example, but also resistance movements, refugee groups, indigenous anti-communists, and parallel organizations and clusters that neither Hillenkoetter nor anyone else could place firmly on one side of the war/peace divide. It was precisely because of these elements’ potential as sources of intelligence that Allen Dulles’ Intelligence Survey Group cautioned against separating secret intelligence from covert operations.\textsuperscript{58}

Wisner, whose official title was assistant director for policy coordination, redesigned his organizational chart to make more transparent his commitment to satisfying the military’s as well as the policymakers’ needs. His chart divided the Office of Policy Coordination into “functional groups.” On one end of the spectrum was “Psychological Warfare,” the CIA’s initial
charge, which in large part merged with and became indistinguishable from political warfare. Situated under this umbrella was the OPC’s (i.e., CIA’s) first front organization, the National Committee for Free Europe founded in 1949. The progenitor of Radio Free Europe, this “longest running … covert action campaign,” on whose board served Dwight D. Eisenhower, Henry Luce, Lucius Clay, and Cecil B. de Mille, aimed to rally dissidents, primarily in Eastern Europe, to challenge communist domination. Within a few short years, the OPC’s political warfare programs had become so diverse and so imaginative that Wisner referred to the effort as a Mighty Wurlitzer, the giant organ thought to approximate a one-person orchestra because it could masquerade as so many different instruments.59

At the other end of spectrum of Wisner’s organizational chart for the Office of Policy Coordination were activities, including paramilitary operations, that Kennan considered appropriate for the military—but not the CIA. These were “Support of Guerrillas,” “Sabotage,” and “Demolition.” To carry out them out, Wisner heavily recruited his former colleagues, many of whom “found in their wartime experiences a sense of drama and meaning that could not be matched back at their law firms or lecture halls in peacetime.” Developing an esprit to corps that OSS veteran, charter OPC member, and future CIA director William Colby described as resembling “an order of the Knights Templar,” they became the backbone of “The Company.” Facilitated as well as sanctioned by Congress’ June 1949 enactment of the CIA Act, which allowed the CIA to operate under a greater cloak of secrecy by exempting it from the need to disclose publicly its activities, budget, and personnel, covert and paramilitary operations came to define what the CIA was.60

Wisner was accountable to virtually no one. As the CIA’s director, Hilsenkoetter technically managed his operations. But in practice, it was Kennan, as the director of State’s Policy Planning Staff and the department’s representative to the OPC who had the responsibility for ensuring that those operations were congruent with US policies and programs. Yet, Kennan’s influence within both State in particular and the administration in general declined in almost direct proportion to rollback’s challenge to containment and the militarization—and “paramilitarization”—of America’s Cold War strategy. In 1949, Robert Joyce, who had served in the OSS during World War II and sympathized with an active covert operations agenda, succeeded Kennan as State’s representative to the office. As a result, under Wisner’s guidance, to quote the history of the CIA written for the Church Committee, the “OPC achieved an institutional independence that was unimaginable at the time of its inception.”61
The consequences proved irreversible. In a dramatic departure from the intent of the CIA’s designers, the growth of covert operations in frequency and complexity diverted both resources and commitment from the agency’s core mission of collecting, analyzing, and distributing intelligence. As for Kennan, he came to consider his role in establishing the OPC (albeit not his advocacy of political warfare, in which he continued to engage after leaving the Policy Planning Staff) “probably the worst mistake I ever made in government.” It would take decades, nevertheless, for the full cost of that mistake to become manifest.62

Notes


21 Rudgers, *Creating the Secret State*, 15–32;

23 William D. Leahy, Memorandum for the Secretary of War and Secretary of Navy, “Establishment of a central intelligence service upon liquidation of OSS,” with enclosed Memorandum for the President by the Joint Chiefs of Staff and Appendix, 19 September 1945, in The CIA under Harry Truman, ed. Michael Warner (Washington, DC: Center for the Study of Intelligence, 1994), 5–10; Truman to Major General William J. Donovan, September 20, 1945, in Warner, The CIA under Truman, 15.

24 Rudgers, Creating the Secret State, 63–64; Leahy, Memorandum for the Secretary of War and Secretary of Navy, with enclosed memorandum and Appendix, 19 September 1945.


30 Preface to Kuhns, Assessing the Soviet Threat, 1–9.


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