Central Intelligence Agency

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The Honorable Vernon A. Walters
U. S. Permanent Representative to the United Nations, N.Y.
Washington, D. C.

Dear Ambassador Walters:

I very much enjoyed our conversation at the farewell banquet for Judge Webster last Thursday. Since you expressed an interest in the inscriptions placed under the portraits of American Presidents at CIA Headquarters, I have had these copied and typed out for your use. However, after examining the inscriptions, I am uncertain whether they are what you want.

I have also taken the liberty of enclosing a number of other items that may be of interest to you. One is Walter Pforzheimer's Bibliography of Intelligence Literature. Another is Ed Sayle's Intelligence in the War of Independence, and a third is a History Staff publication entitled Directors and Deputy Directors of Central Intelligence. I also enclose Ed Sayle's article entitled American Service taken from the International Journal of Intelligence and Counter-Intelligence. It contains interesting anecdotal information about the early days of intelligence in America.

Finally, enclosed is a product of the History Staff that was originally pulled together for John McMahon's use in speeches. Some of the anecdotes are quite interesting.

I hope you will find these items useful.

Yours sincerely,

STAT

David D. Gries

To the Central Intelligence Agency, a necessity to the President of the United States, from one who knows.

Harry Truman - June 9, 1964

For the Central Intelligence Agency - an indispensable organization to our country.

Dwight Eisenhower

For: The Central Intelligence Agency with esteem.

John F. Kennedy

To the Central Intelligence Agency with appreciation.

Lyndon Johnson

To the Central Intelligence Agency, a vital aid in the defense of freedom.

Richard Nixon

To the Central Intelligence Agency - In peace there is no substitute for intelligence.

Gerald Ford

I am impressed with the professionalism and responsiveness of the Central Intelligence Agency. I think if all Americans know what I know, there would be an alleviation of concern.

Jimmy Carter

With appreciation and very best wishes.

Ronald Reagan

THE AMERICAN SERVICE

Washington is the unquestioned father of American military intelligence. A glimpse at the inventory of his military library, accumulated during the years between his disasters in the French and Indian War and his victory in the War of Independence, reveals it to be well-based in intelligence theory. One of the French editions, for example, forecasts quite accurately the intelligence methods he would employ during the American Revolution, including the successful deception operation that preceded his defeat of the British at Yorktown.

From a present day perspective it is a bit ironic to recognize that the origins of our foreign intelligence undertakings rest in the Continental Congress. It was that body, fulfilling the executive responsibility in addition to the legislative, that established our first foreign intelligence directorate – the Committee of Secret Correspondence – in November 1775.[10]

The Continental Congress protected intelligence sources and methods by authorizing deletion of the names of those employed by the committee or with whom it had corresponded.[11] The members of the committee used this power wisely. When a courier brought word that France would provide, covertly, the arms, ammunition, and funds that were needed desperately, two of the committee's members, Benjamin Franklin and Robert Morris, noted: "We agree in opinion that it is our indispensable duty to keep it a secret, even from Congress....We find, by fatal experience, the Congress consists of too many members to keep secrets."[12]

Their view was sustained by future Chief Justice John Jay, who cautioned that public discussion of the transactions of the committee should be limited to what "may be necessary to promote the common weal, not gratify the curiosity of individuals."[13]

On 12 June 1776, the Continental Congress adopted the first secrecy agreement for government employees. The oath read: "I do solemnly swear, that I will not directly or indirectly divulge any manner or thing which shall come to my knowledge as (clerk, secretary) of the board of War and Ordnance for the United Colonies...So help me God."[14]

The Congress also adopted a more stringent oath for itself, declaring that each member "considers himself under the ties of virtue, honor and love of country, not to divulge, directly or indirectly those things which required secrecy. And, that if any member shall violate this agreement, he

shall be expelled this Congress and deemed an enemy to the liberties of America, and liable to be treated as such."[15]

The Congress also extended the umbrella of confidentiality to its secret journals. It sheltered sensitive intelligence and foreign relations matters in this way, and imposed strict controls on the maintenance, access and copying of the records.[16] This led to Congress's first confrontation with the problem of what to do about government employees who breached that secrecy.

The talented patriot writer, Tom Paine, was the first to test the system. In one of his pseudonymous "Common Sense" columns, Paine misused sensitive intelligence information gained through his post with the Foreign Affairs Committee. Paine was fired outright and the Congress passed a patently false resolution refuting his disclosure of covert assistance by France.[17]

The crusading oversight bodies of the 1970s (Church committee and Pike committee) would have been appalled at the activities authorized by the Congress's founders. For example, they devised and implemented covert action operations, approved non-attributed black propaganda, and on learning of abuses in mail opening did not bring it to a halt. Rather, it issued firm instructions narrowing the scope of who was authorized to do so.[18]

This was a time when money (including congressional salaries) was "not worth a continental," and many members were forced to accept the humiliation of secret charity from the French Minister as the only recourse to returning home. Yet, despite these money problems, the Congress found the way to fund intelligence operations in gold and silver, and permitted the deletion of the names of intelligence sources to whom the specie was paid.[19]

Even the Declaration of Independence reflects the Congress's use, on an unattributed basis, of indications and warning intelligence – the charge leveled at George III that the king "is at this time Transporting Armies of Foreign Mercenaries to complete the works of death, desolation and tyranny." That item was based on copies of the agreements reached by George III with German princes for the provision of mercenaries – we lump them all together as the Hessians – to supplement his own Hanoverian forces destined for America. The documents had been smuggled from London to Philadelphia via Canada by George Merchant, arriving on 18 May 1776 as Jefferson was drafting the Declaration.[20]

The Congress also learned the hard way about excessive compartmentation. Working with American sympathizers on Bermuda, Robert Morris engineered a highly successful "smash and grab" raid on the Royal gunpowder magazine there. But he neglected to tell General Washington of the mission. Washington, then in Boston, learned quite independently of the powder store and launched his own raid without telling Congress. By the time Washington's men arrived in Bermuda, the gunpowder was long gone

and the Americans ran into a hornet's nest of British warships. This says something about the need for a central intelligence agency.[21]

Our founding fathers were quite pragmatic when it came to intelligence matters. They authorized gifts and the payment of gratuities for foreign figures to be influenced, permitted the expenditure of public monies for what today is called "operational entertainment," and dedicated ships under control of the secret bodies of Congress, not the Navy. The ships were used for conveying secret intelligence and war materiel acquired clandestinely.[22]

There was also a strong element of tradecraft in the use of codes and ciphers, chemical secret writing and letter-drops in intelligence communications between the Committee of Secret Correspondence and its agents abroad. Recognizing the need to learn of thinking abroad, the Congress established a program to gather foreign publications for analysis.[23] Counterintelligence operations approved by the Congress included coercive recruitments, penetrations, and many of the untidy aspects of that work. And when it found U.S. laws inadequate to punish Benjamin Church, Surgeon General of the military hospital at Boston, for spying on behalf of the British, the Congress enacted our nation's first espionage law. (The legislation was cited by the U.S. Supreme Court in its adverse ruling against German saboteurs during World War II.)[24]

Members of Congress and its agents met secretly with representatives of European states to arrange various levels of support for our cause. Sweden, for example, agreed to provide sanctuary for American privateers when pursued by the British. The King of Prussia struck a propaganda blow when he charged the German princes a fee for transiting cattle as they marched their troops to ports of embarkation for America. During the covert action period, Spain contributed the equivalent of a million pounds, and France drove itself to near-bankruptcy by providing secret assistance before the two nations entered the conflict with troops and ships. During this secret phase France provided an estimated 90 percent of our gunpowder, the bulk of cannon and weapons, and the officers and engineers needed to turn minutemen into soldiers.[25]

Even then the Congress was concerned about the Russian menace. Because we hoped to pay for our foreign military procurement with tobacco, William Carmichael of Maryland, an agent of the Committee of Secret Correspondence, was tasked with determining if Russian tobacco exports posed a threat to our plans. He reported the following from Amsterdam in November 1776: "You have been threatened that the Ukraine would supply Europe with tobacco. It must be long before that time will arrive. I have seen some of its tobacco here, and the best of it is worse than the worst of our ground leaf. Four thousand pounds have been sent here this year."[26]

Carmichael was undisciplined, but a good agent. While in Paris he was suspected of having been recruited by the British while meeting with them at French direction, and was sent home. Later, while serving the State Department in Spain, those charges continued to haunt him and the suspicion was broadcast widely. When British intelligence records of the period became available in the mid-1800s, scholars learned how thoroughly Benjamin Franklin's Paris station was penetrated – but not by Carmichael. In the wartime documents the British complain about some of Carmichael's operations and bemoan the fact that their "pitch" to him had been rejected. Despite this "new" evidence, there are some fairly current works that repeat the old charges. I suggest this stresses the need to exploit enemy records (captured or otherwise) for counterintelligence information, no matter how long after the fact.[27]

My favorite achievement of the Continental Congress grew from the ill-fated military and covert action operation led by Benjamin Franklin and three Marylanders, Samuel Chase, Charles Carroll, and Father John Carroll, to acquire Quebec as the fourteenth colony. On 26 February 1776, and by secret resolution, the Congress dispatched Fluery Mesplat, his printing equipment, and family, to Canada "to establish a free press...for the frequent publication of such pieces as may be of service to the cause of the United Colonies."

The American political operatives and their military forces were forced to withdraw, but Mesplat, undetected, remained. There he established the first French-language press in Canada and Quebec's first newspapers, one of which, the *Montreal Gazette*, is still published today. It might be described as U.S. intelligence's longest-running proprietary and covert action operation, although one might suspect that somewhere along the line we lost control of it.[28]

Before leaving the period of the Revolutionary War, there is one other precedent to be noted from that conflict. It has affected all intelligence officers, and others, at one time or another – travel vouchers. Yes, even for his famous "early warning" operation, Paul Revere had a travel order and had to submit a travel voucher to the Committee of Safety. His claim included such expenses as boarding the colony's horses, printing some leaflets, and the like, but it was in regard to something else that Revere ran afoul of the bureaucrats. After waiting months for the voucher to be processed, Revere got it back only to find they had reduced his per diem.[29]

With victory over Britain, the new nation began writing its Constitution. The Constitutional Convention provided in Article One for the continuation of the secret journals, and over the objections of George Mason of Virginia wrote it in such a way that there could be no pressure for short-term de-

classification. It also tackled the problem of intelligence. A citation from *The Federalist* might best illustrate this. Jay wrote:

> There are cases where the most useful intelligence may be obtained, if the persons possessing it can be relieved from apprehensions of discovery. Those apprehensions will operate on those persons whether they are actuated by mercenary or friendly motives; and there doubtless are many of both descriptions who would rely on the secrecy of the President, and who would not confide in that of the Senate, and still less in that of a large popular general assembly. The Convention have done well, therefore, in so disposing of the power of making treaties that although the President must, in forming them, act by the advice and consent of the Senate, yet he will be able to manage the business of intelligence in such a manner as prudence may suggest.[30]

Another important issue resolved by the Constitutional Convention was placing foreign intelligence in the hands of a civilian entity, the Department of State, rather than the military.

After George Washington took office, the founding fathers were true to their word; the President was, indeed, the manager of intelligence. When Washington asked for a "competent fund," the Congress understood, and on 1 July 1790, it gave the President the Contingent Fund of Foreign Intercourse, the so-called secret service fund. It also permitted accounting by certificate, the same procedure delegated to the Director of Central Intelligence by the Central Intelligence Act of 1949.[31]

Actually, Washington had already dispatched an agent abroad in anticipation of the funding authority to do so. The agent was Gouverneur Morris, who thus earns the distinction of being our first intelligence agent abroad under the Constitution.[32] Of him, William MacClay said: "He has acted in a strange kind of capacity, half pimp, half envoy, or perhaps more properly a kind of political eavesdropper."[33]

Washington's secret service fund for the first year was $40,000. By the third year it had risen to one million dollars, or 12 percent of the national budget. Much of the money was for ransoming American hostages held in Algiers, for paying off foreign officials and, in effect, "buying peace."[34]

Washington's Secretary of State, Thomas Jefferson, recognized the need for intelligence and the importance of good cover for secret aides. In a letter to James Madison dated 27 May 1793, Jefferson (not without whimsy) said: "We want an intelligent and prudent native, who will go to reside in N. Orleans as a secret correspondent for 1,000 dollars a year. He might do a little business, merely to cover his real office. Do point out such a one. Virginia ought to offer more loungers equal to this, and ready to do it, than any other state."

During his presidency, Jefferson received intelligence from France suggesting that Napoleon would be willing to coerce Spain into yielding the Floridas to the United States for seven million dollars, with Napoleon pocketing most of the money. Jefferson sought, and in secret session the Congress appropriated an even greater secret discretionary fund of two million dollars. It was used to start negotiations from which Napoleon later backed out.[35]

Earlier, Jefferson had convinced the Congress to appropriate a sum of money "for the purpose of extending the external commerce of the United States." This cryptic language was intended to mask the funding of the Lewis and Clark expedition, which (despite what the schoolbooks tell us) was planned as an intelligence mission to enter the territories of foreign states with whom we were at peace, for the purpose of locating and mapping fortifications.[36]

In 1806, the United States considered it essential to conduct another military reconnaissance, the entire territory drained by the Arkansas and Red Rivers. Selected to lead this intelligence mission was Lieutenant Zebulon Pike, a reliable young officer who, the previous year, had conducted an exploration of the upper course of the Mississippi River. The cover story selected for the mission was that the expedition was returning a party of Osage Indians to their homelands. If intercepted by Spanish forces, the party was under instruction to say it was traveling to the American outpost at Natchitoches, lost its bearings and had gone off course.

On 3 December 1806, Lieutenant Pike first saw the inspiring peak in the Colorado Rockies that was later to bear his name. Shortly thereafter Pike's party of trespassers was captured by the Spanish and taken first to Santa Fe, then to Chihuahua, while the Spaniards considered what to do with them. Ultimately, they were released and made their way to Natchitoches, arriving the following July.

Not surprisingly, when Pike's party returned east they were enmeshed in political controversy, not honors. The War Department was particularly sensitive about any discussion of an espionage mission into friendly territory and, four years later when Pike resolved to publish his journal of the expedition, it was over the Department's objection.

When the War of 1812 broke out, the man who had been an embarrassing lieutenant only five years earlier was commissioned a brigadier general. In April 1813, at age 34, he was killed at the Battle of York (Toronto). Yet, because Pike had kept accurate journals and maps of both his reconnaissance and the journey as a Spanish captive, when the Mexican War broke out some 30 years later, his were among the few reliable military intelligence documents concerning the Mexican territory.[37]

During Madison's administration, intelligence and other government secrets gained the added protection of formal document classification;

"secret," "confidential," and "private." A fourth level was not added until World War I, when "top secret" was created to contend with "most secret" information received from Britain.

Madison, like his predecessors, recognized the need for intelligence, dispatching secret agents to South America, Nova Scotia, Bermuda, and Turkey. But, as with Jefferson, his eyes were on the Floridas, and in 1810 he sent agents to West Florida to convince American settlers that if they separated from Spain, they would be welcome to join the United States. The settlers responded as expected, adopted a "lone star" flag, captured Baton Rouge and declared West Florida "free and independent." Within two days of receipt of reports of the "lone star" declaration, Madison proclaimed American control over the territory and sent troops.

Madison then took on the rest of the Floridas, dispatching General George Mathews on the secret mission. Mathews was a veteran of the American Revolution, a former member of Congress and a recent governor of Georgia. His instructions were "to take over the Floridas from General Folch if the Spanish are willing to surrender them."

Mathews opted once again for the "lone star" revolution tactic, and in March 1812 a group of patriots, which included Georgia milita in mufti and other volunteers and support by American gunboats, occupied their first town and moved on to San Marcos near St. Augustine. They failed in their second conquest attempt but, undaunted, organized a government, chose a governor, and ceded East Florida to the United States.[38]

In Washington the situation had changed. President Madison had paid $50,000 for the letters of John Henry, a British spy, which exposed British efforts to woo the Federalists.[39] The documents had been well-publicized, the New England Federalists embarrassed and the British thoroughly denounced for intervention in our domestic affairs. Arriving in Washington when it did, news of Mathews' action permitted President Madison to share the embarrassment he had engineered. The British had been doing only a little bit of spying and buying; General Mathews had successfully incited a revolution, seized the territory of a nation with whom we were not at war, and employed U.S. naval forces to boot.

Although there had been secret Congressional approval for launching Mathews' mission,[40] the President had no option but to reprimand him and to promise return of the land to Spain. He did not return it, and Andrew Jackson administered the coup de grace during the War of 1812.

It was also during Madison's term that a successful, if unholy, alliance was made with gangsters of the period for intelligence purposes. The pirate Jean Laffite and his men were used to scout, spy and sometimes fight for General Jackson in Louisiana.[41]

In 1818, the question of declassifying the secret journals first arose. Recognizing the role of the executive, the Congress permitted the President to withhold from declassification those matters related to foreign affairs, including foreign intelligence, that he deemed necessary to require continued protection. Thus, the published secret journals of the revolution, (declassified in 1818) and the confederation period (declassified in 1820) – much like the information released these days under the Freedom of Information Act – are incomplete and fragmentary. Even then, there was embarrassment to some – for example, disclosure of the unanimous secret resolution of Congress authorizing the Secretary of State, for reasons of national interest, to open any letter in any post office, except those to and from members of Congress.[42]

From time to time, there had been rumblings in the Congress about secret agents and the sums to support them, but it was not until March 1818 – nearly 29 years after President Washington had sent his first secret agent abroad – that the issue erupted in the Senate as a purely political one. By then the framers of the Constitution and founders of the Republic had retired or had died. The issue was raised by young men, examining the system they had inherited. One, Henry Clay, objected to including in the public appropriations bill monies for three individuals, saying he felt the Contingent Fund was primarily, if not exclusively, to be used for such secret agencies. The Congress affirmed this, struck the money from the appropriations bill and added it to the Contingent Fund.[43]

The matter arose again in 1825 with Adams as President and Clay, Secretary of State. The opposition condemned sending official observers to the Panama Congress. Several members of Congress suggested from the floor that secret agents – spies paid from the Contingent Fund – should have been sent instead.[44]

Six years later, in 1831, the appropriations bill was again at issue, this time over treaty commissioners. To put an end to queries, the administration moved to transfer money from the appropriations bill to the secret service fund. The opposition objected, saying it did not mind the Contingent Fund being used to pay secret agents, but that treaty commissioners were another thing. They lost, and the issue was again buried in the secrecy of the Contingent Fund.[45]

During these debates, the first full public statement of the purpose of the secret fund surfaced. Senator John Forsyth, later to be Secretary of State to Presidents Jackson and Van Buren, declared: "The experience of the Confederation having shown the necessity of secret confidential agencies in foreign countries, very early in the progress of the Federal Government, a fund was set apart, to be expended at the discretion of the President on his responsibility only, called the Contingent Fund of Foreign Intercourse....

It was given for all purposes to which a secret service fund should or could be applied to the public benefit. For spies, if the gentleman pleases...."[46]

Later challenges were defeated in 1838 and 1842, with one buried and the second settled by removing payment of Department of State dispatch agents from the sanctuary of the secret fund.[47]

The early years of our republic contain a number of fascinating intelligence episodes, carefully detailed in the so-called "secret agent bundles" (formally "Documents Relating to Special Agents of the Department of State") in the National Archives.

In one bundle, for example, one may find a storybook-type agent, George Bethune English. English, a former lieutenant in the U.S. Marine Corps, had resigned his commission to become a Muslim officer in the Turkish Army, and served in Ismail Ali's campaigns into the Sudan. On his return to the United States, he was recruited by President Monroe to return to the capital of Islam as a secret agent. His mission was to determine the receptivity of the Ottoman Empire to a commercial treaty with the United States and its consent to our desire to trade on the Black Sea. Representing himself as an American named Musselman, English managed "quietly and without observation" to obtain a copy of the Turkish treaty with France.[48]

Another agent launched by President Monroe in 1823 was Alexander McRae, who was sent to Europe to report on the possibility of European intervention in South America. McRae's letter of instruction contained this admonition, one not unfamiliar to those in the intelligence profession: "You will assume no public character, but take passports of a private citizen of the United States....And you will take proper precautions for avoiding any appearance or suspicion of your being employed by a public agency...."[49]

Much has been written about Joel Poinsett's mission to purchase Texas from Mexico for five million dollars. Most forget that it was a failure, choosing only to recall that on Poinsett's return to the United States he introduced our popular holiday flower. His successor, Anthony Butler, was also a failure, but he did it magnificently. He attempted to bribe Mexican officials into selling Texas and when that failed he came up with the unique idea of an unrepayable loan to Mexico with Texas as collateral. Although it was denied at the time, the Mexican government also accused Butler of being behind attempts to recruit so-called "colonists" to revolutionize Texas.[50]

After Santa Anna's defeat in 1836, the question arose in Washington about diplomatic recognition of the Texans. A secret agent was sent to inquire into the political, social and economic conditions in the new republic, their military strength and financial resources and the ability of Sam Houston's government to meet its international obligations. The agent, Henry W. Morfit, came back with the word, in effect, "They're not ready

yet," leading Jackson to recommend to the Congress that the U.S. stand aloof to Sam Houston's overtures. By March of the following year the situation had changed and the United States finally recognized the Republic of Texas.[51]

Another of President Jackson's agents is worth noting, if only because the case reflects how little our fledgling nation knew about the world. Edmond Roberts was assigned to investigate secretly the operations of the British East India Company. He sailed for the Far East in 1832, rated as the captain's clerk on the sloop *Peacock*. Only the ship's captain knew his true status. Unfortunately, information at the Department of State regarding the countries he would visit was not very extensive or exact. In fact, titles and identities of some of the national leaders he was to approach were unknown in Washington. Simply, he was given a quantity of passports with blank spaces so that he might enter the necessary information on the spot. And, since he might be able to negotiate a treaty here and there, he was furnished with a supply of letters of credence with similar blank spaces. By the time Roberts died in Macao four years later, he had concluded treaties with Siam and the Sultan of Muscat![52]

President Tyler also had a bit of controversy over the natural combination already mentioned: Texas, secret agents and the Contingent Fund. Duff Green, a leading newspaper publisher and businessman, was sent to England to collect intelligence and engage in a bit of covert action related to the possible annexation of Texas. One of his letters about Texas was published in the British press, naturally not over his own name. The letter created such a stir that the Congress asked Secretary of State Calhoun to identify the writer and summon him before Congress. Calhoun replied that he couldn't ascertain the identity of the writer.

Congress tried again, closer to target, asking if Duff Green had been employed in Europe. Calhoun must have winced before responding, saying there was "no communication whatever either to or from Mr. Green, in relation to the annexation of Texas, to be found in the files of the Department."

The next inquiry was to the point: Was Duff Green paid money from the Contingent Fund appropriated by the Congress? By then the Senate had already rejected the treaty of annexation, and the secret no longer needed to be held. President Tyler answered that although he was not required to tell the Senate whom he paid from the Contingent Fund, he would oblige just this once. Yes, Duff Green had been employed to collect information about a negotiation being contemplated, but later abandoned. You will note that he did not answer the original question: Who wrote the controversial letter?[53]

Tyler, after leaving office, was not to hear the last of his Contingent Fund. It was charged in the Congress that Tyler's Secretary of State, Daniel Webster, had used some $17,000 from the fund for propaganda in the U.S. religious press to win support for an unpopular treaty with Canada. By deposition, Tyler told the investigating committee that what they were probing was a secret matter and Webster had been deputized to carry it out. The committee backtracked. It said it had no intention of investigating the acts of presidential secret agents or of judging the propriety of using them within the United States.[54]

The full House wasn't mollified. It called on President Polk to surrender the accounts of all payments from the fund during Tyler's administration. Polk refused disclosure, noting:

> The experience of every nation on earth has demonstrated that emergencies may arise in which it becomes absolutely necessary for the public safety or the public good to make expenditures, the very object of which would be defeated by publicity...In no nation is the application of such funds to be made public. In time of war or impending danger the situation of the country will make it necessary to employ individuals for the purpose of obtaining information or rendering other important services who could never be prevailed upon to act if they entertained the least apprehension that their names or their agency would in any contingency be revealed.[55]

Polk's statement, for the first time in the nation's history, gave public recognition to the clear linkage between "obtaining information," or collection, and "rendering other important services," undefined. It is rather like the phrase "to perform such other functions and duties related to intelligence affecting the national security..." found in the National Security Act of 1947.

Polk had good reason to defend the integrity of the Contingent Fund and to include "rendering other important services" in addition to collection. He was then using the fund for agents to Mexico and to California for what we would now call covert action to assure that California and Texas would drop into the U.S. bucket.

As war clouds thickened, Polk received an intelligence report that Mexico might cede California to Britain, effectively and permanently blocking American dreams of stretching to the Pacific. He authorized Thomas Larkin, a Massachusetts businessman, to assure the Californians that "Should California assert and maintain her independence, we shall render her all the kind offices of our power, as a sister Republic." Should the question of annexation arise, Larkin was empowered to say that the United States had no such

aspirations. "unless by the free and spontaneous wish of the independent people of adjoining territories."

Larkin was instructed to propound these ideas secretly, but back in Washington the opposition got it all wrong; they claimed that Larkin had been instructed to produce a revolution in California and Col. John Fremont had been given authority to sustain it.[56]

The war with Mexico broke out in 1846, and once more President Polk turned to a secret agent, this time Moses Yale Beach, a journalist and one of the founders of the New York Associated Press. Beach traveled to Mexico, using a British passport, and under instruction "never to give the slightest intimation, directly or indirectly, that you are an agent of this Government."

Beach is said to have done well. He met with prominent Mexicans and became actively involved in the political and social life of Mexico City, all with the objective of seeking a way toward peace, a task some historians say he almost accomplished. Interestingly, the suspicious American press never unmasked his mission.[57]

President Taylor also had his spy flap, and handled it with a flourish. It surfaced in the Congress that he had dispatched an agent to take soundings of the Hungarian revolt, and perhaps do a bit more if it looked as though the Magyars would win. They didn't, and the Congressional leak resulted in a strong note from the Austrians saying that had the American agent been apprehended, he could have been treated in a manner traditional for spies. President Taylor, in angry response, defined a spy as one sent by one belligerent against another to gain secret information for hostile purposes. The United States was neutral in the conflict, ergo the man was an observer, not a spy. Furthermore, the President of the United States took great offense at the suggestion this country would employ spies.[58]

President Pierce, as Polk, made extensive use of agents and covert action. One of the most innovative plans was one to acquire Cuba from Spain. Spain had refused to part with the troublesome island, and a scheme was devised to force them to sell. It called for cooperative European moneylenders to call in their loans to the Spanish Crown, pressuring Madrid to sell Cuba to the United States as a means to raise the needed cash. The plan went well until leaked to the *New York Herald*.[59]

In another ploy aimed at the same target, President Pierce acquiesced to the formation of an exile army in New Orleans for the "liberation of Cuba." When political realities forced Pierce to end his support of the proposed invasion, he used positive intelligence on Cuban fortifications to convince an old friend, who was the leader of the rebel army, to call it off.[60]

To demonstrate the problems Pierce faced, one need only look at one intercepted letter brought to his attention. In it were British plans to sell

guns to Costa Rica for use in a war with Nicaragua, which would have the effect of driving out the Americans there. Pivotal then, as now, were the Miskito Indians.[61]

President Buchanan had his spies, too. Francis J. Grund, the newsman credited with being the father of the sensational style of journalism, served in Europe as a roving spy-at-large, investigating a number of issues of concern to the President. He was authorized to reveal his true status only to U.S. ministers in whatever countries he visited, but to all others he was to be only an interested and inquisitive private citizen.[62]

Hours could be spent on the Civil War: the exploits of the civilian Pinkertons in uncovering plots against the Union; the military men of Lafayette Baker's secret service; overhead reconnaissance by Professor Lowe's "Aeronaut Corps" of balloonists; and President Lincoln's fascination with communications intelligence. (He wrote the Emancipation Proclamation in the War Department telegraph office to keep it a secret from others in the White House who might have leaked advance knowledge of the plan.)[63]

For the first time since the American Revolution, the United States was unsparing in staffing and funding its intelligence activities abroad. Evidence of this includes:

1. Agents with some ten million dollars to engage in preclusive purchasing in Britain, a measure to block similar Confederate purchases of materiel.
2. Some two dozen agents in Britain and on the continent to identify secret sales and ship construction as part of British and French covert support of the Confederacy. The Federal Intelligence Service, as it was called, had little difficulty in recruiting clerks in business houses and shipyards to obtain the information.
3. Seizure on the high seas of a Scots-registry ship with a British crew sailing with false documentation for a fictional destination because we knew from our agents that it was actually being delivered to the South. The ship was held in a neutral port throughout the war. When the conflict ended, rather than expose the intelligence on which its capture was based, the U.S. apologized and agreed to a small compensation.
4. Secret negotiations to recruit General Garibaldi to accept senior rank in the Union Army in order to increase immigrant enlistments. Initially, his terms were excessive and could not be met. When the General finally made the necessary concessions, he was no longer needed; the tide of war had turned and immigrant enlistments were up.
5. Operations into Canada to thwart Confederate operations being launched from there and to build a case for claims against the Canadians and British for assisting the Confederacy covertly. Lincoln and Secretary of War Stanton, for example, dealt personally with a "doubled" courier who served as a vital link between Canada and Richmond.[64]

The conflict was not without the type of unauthorized disclosure that has plagued other national endeavors and endangered the lives of many. To see the effect of one leak during the Civil War, for example, we turn to an angry letter by Major General Joseph Hooker to the Secretary of War. Referring to a leak in the *Washington Morning Chronicle*, Hooker complained:

> Already all of the arithmeticians in the army have figured up the strength of sick and well, as shown in this published extract, as belonging to this army. Its complete organization is given, and in the case of two corps, the number of regiments. The chief of my secret service department would have willingly paid $1,000 for such information in regard to the enemy at the commencement of his operations, and even now would give that sum for it to verify the statements which he has been at great labor and trouble to collect and systemize.[65]

An investigation disclosed that the information had been given to the newspaper by a member of the Surgeon General's staff. In his defense, the offender wrote:

> ...to his entreaties for news as to the health of the army, I let him copy the letter, directing him, however, to omit the address and signature, and any marks which might denote the official and thus attach to it importance or credibility....In this connection it might be stated the only newspaper reporters who visit this office belong to the *New York Times* and the *Washington Chronicle*, both of which I believe to be loyal papers, and incapable of using to the public injury information that they might obtain....[65]

Hooker was right and the leaker was wrong. The newspapers, although seen by the leaker as "loyal," had indeed used the information to the public injury. In the National Archives one may still examine General Robert E. Lee's report to the Confederate Secretary of War citing the *Chronicle* article. According to Lee, "Taking the report...his aggregate force, by calculation, amounts to more than 159,000 men."[65]

A landmark court decision regarding the nation's intelligence service stems from the Civil War. William A. Lloyd, under personal contract to President Lincoln, was sent south to collect tactical and political information. He was to be paid $200 a month, but when the war ended and he returned north, his case officer had been assassinated and he was reimbursed for expenses only. He took the matter to the Court of Claims seeking additional compensation.

The U.S. Supreme Court, in deciding the case, acknowledged that the President had the authority to employ secret agents, that all such agent contracts were binding on the government, and that the sums should be paid

from the Contingent Fund. Yet, because Lloyd had taken the matter to the courts, it ruled against him, stating:

> The service stipulated by the contract was a secret service; the information sought was to be obtained clandestinely and was to be communicated privately; the employment and the service were to be equally concealed. Both employer and agent must have understood that the lips of the other were to be forever sealed respecting the relation of either to the matter. This condition of the engagement was implied by the nature of the employment, and is implied in all secret employments of the Government...If upon contracts of such matters an action against the Government could be maintained in the Court of Claims...the whole service in any case and the manner of its discharge with the details of its dealings with individuals and officers, might be exposed to the serious detriment of the public. A secret service, with liability to publicity in this way, would be impossible...The publicity produced by an action would itself be a breach of a contract of that kind, and thus defeat recovery....[66]

In this decision are the roots for the so-called "Glomar defense;" that is, the government is not admitting such information exists, but *if* it does indeed exist, it would be properly classified and could not be disclosed. The Supreme Court decision put it this way:

> It may be stated, as a general principle, that public policy forbids the maintenance of any suit in a court of justice, the trial of which would inevitably lead to the disclosure of matters which the law itself regards as confidential, and respecting which it will not allow the confidence to be violated...Much greater reason exists for the application of the principle to cases of contract for secret services with the Government, as the existence of a contract of that kind is itself a fact not to be disclosed.[66]

After the Civil War, Presidents continued to dispatch agents, with Canada a favorite destination. In 1869, for example, President Grant dispatched James Wickes Taylor to the area of the Red River rebellion in Canada to determine if sentiment existed for the annexation of the Selkirk area, or even more, by the United States. It didn't exist. The dissidents did not want to leave Canada; they just wanted to be a second Quebec.[67]

In 1881, the Army devised the idea of "hunting and fishing leave," a means by which officers could be dispatched to conduct terrain reconnaissance, yet provide some degree of official deniability.[68] Captain Daniel Taylor performed such a reconnaissance along the St. Lawrence River in 1881, and in 1890, Lt. Andrew Summers Rowan (of later "message to

Garcia" fame) did a detailed reconnaissance of the entire line of the Canadian Pacific Railway.

Perhaps one of the most daring, as well as most publicized, intelligence missions of this type was that of 1st Lieutenant (later Brigadier General) Henry H. Whitney to Puerto Rico in 1897. Whitney infiltrated Puerto Rico by signing on as a crew member of a British tramp steamer. Before his arrival, however, the story was leaked and newspaper articles discussed his secret mission at length. Forewarned by the American media coverage, Spanish authorities conducted an extensive search of the ship on its arrival, but failed to detect or apprehend him. He not only landed safely, but was able to conduct a thorough reconnaissance of the southern part of the island.[69]

The need for such intelligence was great, and in 1902, the Military Information Division of the Army instructed commanding officers of a number of frontier posts to send secret tactical reconnaissance missions into Canada for mapping purposes.[70] ("Hunting and fishing leave" existed in Army regulation, in one form or another, until 1928.)

This period saw heightened interest in military intelligence. The Office of Naval Intelligence was formed in 1882, followed by the Bureau of Military Intelligence (Military Information Division after 1901) in the Army in 1885, the year that President Cleveland also authorized the posting of military and naval attachés at our foreign legations.[71]

But perhaps the best evaluation of this period is that of Thomas Miller Beach, a British intelligence agent who served under cover in the United States from 1867 to 1888, as part of a network the British and Canadians maintained along the border and in such cities as Chicago, Detroit, and Buffalo. In his memoirs, Beach provides this critique of the American service: "America is called the Land of the Free, but she could give England points in the working of the Secret Service, for there, there is no stinting of money or men."[72]

The Spanish-American War was a time of testing for Naval Intelligence, and its hastily assembled networks had a successful track record in collecting both political and strategic intelligence. But, with the end of the war and demobilization, the networks were all but scrapped; few saw the need for an energetic and continuing intelligence capability.[73] Proof of this is found in the emasculation of the Military Information Division in 1908, when it was assigned to what might be called a map and document library function at the Army War College. As with Presidential agents, when military intelligence missions were required, personnel were recruited *ad hoc*.

An example of this was a joint intelligence mission launched in 1909. Two military officers were sent on a two-year reconnaissance of Taiwan, the Ryukyus, the Japanese home islands, Korea, and Manchuria. Commander

Joseph "Snake" Thompson of the U.S. Navy Medical Service and 1st Lt. Consuelo A. Seoane, 3rd Cavalry, traveled under assumed names and South African nationality, posing as naturalists while mapping Japanese fortifications and coastal facilities. To enhance their cover, they collected specimens and maintained bogus diaries of botanical finds (for the benefit of Japanese surreptitious entry teams) and checked in regularly with British consular authorities to affirm Crown protection due South African nationals.[74]

Similarly, when communications intelligence about the Mexican Army was desired, the task was given to the Arizona National Guard. They were quite successful in the assignment, crossing the border and stringing a land-line "tap" to a Mexican military telegraph pole.[75]

There were those who recognized the need for an informed military intelligence establishment, but their efforts were not always wise or successful. Shortly before World War I, for example, the Commandant of the Command and General Staff School, Fort Leavenworth, acting on the suggestion of the Chief of the War College Division, determined to prepare a regular intelligence publication for appropriate Army distribution. The first issue, which drew on intelligence reports forwarded to the Command and General Staff School, resulted in a strong note of protest from the British. One item in the new publication, they said, had been given to the U.S. military attaché in London only after securing his solemn promise to maintain it with utmost secrecy. The promising intelligence publications program came to a complete halt.[76]

There were the inevitable feuds as well. In January 1916, the Director of Naval Intelligence complained to the Chief of Naval Operations that the Assistant Secretary of the Navy was attempting to usurp the control of the DNI over intelligence by organizing his own secret intelligence bureau. The Navy intelligence chief asked, unsuccessfully, which office held responsibility for coordination of intelligence activities within the Navy Department. The DNI survived the crisis, but what of the Assistant Secretary of the Navy who dabbled in intelligence? Franklin D. Roosevelt went on to become the Constitutional manager of intelligence for the nation.[77]

The U.S. declaration of war against Germany in World War I stemmed from an intelligence success, the interception and decoding by the British of the infamous Zimmerman telegram. President Wilson sought the declaration after unilateral confirmation of the proposed collusion of Germany and Mexico detailed in the encrypted message.

That conflict also saw the establishment of the nation's first permanent combat intelligence system. On 31 August 1917, General Pershing created the Intelligence Section, General Staff, and by the end of the year had ordered creation of a Regimental Intelligence Service. Training began immediately and by mid-1918 an Army Intelligence School had been estab-

lished in Europe. Regimental and battalion S-2's were given the manpower and the sole purpose of collecting intelligence. This wartime precedent led to the inclusion of intelligence sections at the battalion, regimental, and brigade level when the Army was restructured at the end of the war. Albeit the poor intelligence officer at the battalion level also found himself detailed as adjutant, plans and training, and supply officer.[78]

During the postwar years there were proposals that something be done to coordinate intelligence. One plan called for the creation of a Bureau of Intelligence with a director appointed by and responsible to the President. Too many turfs would have been trod on, and the plan was doomed. Another concept was a clearing house, without a central bureau, to compare reports and to assign investigations. That plan was shelved when the MID pointed out that it was already serving as such a clearing house, receiving and indexing reports from the various intelligence components. Proprietary interest set the stage for a disaster yet to come.[79]

This is not to say the various components in the intelligence arena were ineffective. Each toiled away in its own environment, producing the intelligence necessary to meet individual command requirements. I will not belabor here the fact that one of the critiques of Pearl Harbor was that there was too much of this individual "noise," and no one to pull it together. Nor did the intelligence components act in concert; each was vulnerable to the budgetary and political whims of those above.

One telling example of this is the demise of the State Department's code-breaking office, the so-called "Black Chamber." After Henry L. Stimson had been in office for a few months as Herbert Hoover's Secretary of State, Herbert Yardley, who operated the "Black Chamber," felt it was time Stimson lost some of his innocence. He sent Secretary Stimson copies of an important series of diplomatic messages, which had just been decrypted.

Stimson was shocked. To the new Secretary of State, the "Black Chamber" was a violation of the principle of mutual trust on which he conducted both his personal affairs and foreign policy. In his memoirs almost two decades later, he explained he was guided then by the belief that the way to make men trustworthy was to trust them. He was dealing as a gentleman with other gentlemen sent as ambassadors and ministers from friendly nations, and "Gentlemen do not read each other's mail."

Stimson withdrew all State Department funding from the 10-year old operation, and on 29 October 1929, the "Black Chamber" was closed and its staff dispersed. Fortunately for the nation, the Army saw it as time to consolidate its code-making and code-breaking in a small Signal Intelligence Service created the following year. (Although Stimson said he never regretted the decision to close the "Black Chamber," by 1940 the world had changed, and so had the Secretary of War. In that post, Stimson found no

ethical objection to the vital intelligence being gained through the cryptoanalysis known as MAGIC.)[80]

We were back in the ad hoc mode that had seemed to plague our national intelligence effort after every war. When an estimate of the German Air Force was needed, Charles Lindbergh was prevailed on to destroy his reputation with a "good will" visit to Germany and its military air bases. (The estimate he penned for the signature of the U.S. Military Attaché in Berlin was wrong, despite his good intentions. The Germans had shuttled aircraft about from field to field so that at each visit Lindbergh was, unknowingly, counting the same planes.)[81] When the President needed information on German rearmament he turned to scholars, businessmen, industrialists, and reporters to serve as executive agents, just as other Presidents had done before him. Dilettantes agreed to hike through Germany, observing what the President had asked them to observe.

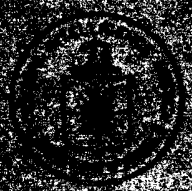
The disaster came and the nation was unprepared politically and militarily.[82]

There is a lesson in all this, and none said it better than President Woodrow Wilson in discussing his dilemma at the time of the Zimmerman Telegram:

> You have got to think of the President of the United States as the chief counsellor of the Nation, elected for a little while but as a man meant constantly and every day to be the Commander-in-Chief of the Army and Navy of the United States, ready to order them to any part of the world where the threat of war is a menace to his own people.
>
> And you cannot do that under free debate. You cannot do that under public counsel. Plans must be kept secret.
>
> Knowledge must be accumulated by a system which we have condemned, because it is a spying system. The more polite call it a system of intelligence.
>
> You cannot watch other nations with your unassisted eye. You have to watch them with secret agencies planted everywhere.
>
> Let me testify to this my fellow citizens, I not only did not know it until we got into this war, but did not believe it when I was told that it was true, that Germany was not the only country that maintained a secret service. Every country in Europe maintained it, because they had to be ready for Germany's spring upon them, and the only difference between the German secret service and the other secret services was that the German secret service found out more than the others did, and therefore Germany sprang upon the other nations unaware, and they were not ready for it.[83]

Directors and Deputy Directors of Central Intelligence

Dates and Data 1946-1983



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Intelligence in the War of Independence

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The Uneven Evolution of American Intelligence

An independent state needs intelligence once it acquires at least one foreign enemy. When an enemy is immediately dangerous--most obviously in time of war--the need for good intelligence can be crucial for survival. When a state is relatively secure, either because it has no significant enemies, or its enemies are at least temporarily weak, the need for intelligence diminishes. Sometimes, of course, a state thinks that it is secure when it is not--and sometimes it is much more secure than it thinks.

The history of American intelligence is not the story of small and simple beginnings that gradually and steadily over two centuries evolved into our present large and complex intelligence establishment. Rather, after a good deal of attention to intelligence in the dangerous first fifty years of our independence the United States enjoyed a period of relative security for the rest of the 19th century and up to the First World War. In that war the United States reluctantly took its place as a world power, and since the Second World War America has been forced to face such an array of foreign enemies--actual and potential--that we have had to develop an intelligence community to match our immensely powerful military forces.

Sparse Intelligence Activity in 19th Century America: Reasons

In 19th century America intelligence efforts, such as they were, were for the most part organized only in time of war. After the War of 1812 and by the time of the Monroe Doctrine declaration in 1823 the threat of foreign enemies to the United States had faded. From that time until the First World War the United States enjoyed what historians have called a period of "Free Security". Only the European great powers could threaten us, and we were protected from them by the Atlantic Ocean and the Royal Navy. Canada was a hostage for Great Britain's good behavior, and in any case Britain had found a mutual interest with the United States in keeping European powers from expanding into the Western Hemisphere.

We nevertheless fought three wars between 1815 and 1917. Of these, however, two were short limited wars: one fought against a weak neighbor in 1846 and the other against the dying Spanish Empire in 1898. The only great American war in this period we fought against ourselves, from 1861 to 1865. Secure in the Western Hemisphere and blessed with a dearth of foreign enemies, the United States grew rapidly in territory, population and strength in the century before World War I without worrying much about foreign enemies or world politics. Our armed forces (except during the Civil War) were tiny, our diplomacy amateur, and an intelligence capability was hardly needed at all.

America as a Weak New State, 1775-1823

Once we took up arms against George III, and decided to form an independent state, intelligence work--both with Washington's army and abroad--was crucial for our survival. For some fifty years after the Revolutionary War the United States was a weak new state that pursued non-alignment but was nevertheless frequently embroiled in the balance of power politics of the European great powers, who fought a global war from 1791 to 1815. From Lexington and Concord in 1775 to the declaration of the Monroe Doctrine in 1823, the United States depended mainly upon skillful diplomacy and very slender military resources first to achieve, then to preserve, our independence. Living in a threatening world, we had to work hard for our safety and survival.

Nathan Hale

American military intelligence began with the Revolution. The first U.S. intelligence and reconnaissance unit was established in 1776. Known as Knowlton's Rangers, it was an all-volunteer unit whose officers included a young Yale graduate named Nathan Hale. Hale volunteered to go behind British lines in New York posing as a Dutch schoolmaster, to get information for General Washington. He volunteered on 11 Sept. 1776, a date once proposed as the birthdate for Military Intelligence but rejected by the Army on the grounds that Hale's capture and hanging within two weeks was not an auspicious beginning. His statue stands in front of Headquarters, inscribed with his last words, "I only regret that I have but one life to lose for my country."

Continental Secret Service

As a result of Nathan Hale's failure, George Washington organized a secret intelligence bureau, the Continental Secret Service, commanded by Hale's friend and Yale classmate, Benjamin Tallmadge. This organization ran an agent net targeted against New York, then occupied by the British. The organization worked well for over five years, and provided Washington with a great deal of useful intelligence.

Washington's $17,000

During the American Revolution George Washington, who often dispatched his own agents, is known to have spent $17,000 on secret intelligence. About the only person Washington fully trusted in the secret intelligence effort was Alexander Hamilton, who worked principally with cyphers and secret writing.

Benedict Arnold

In the Revolutionary War an early American intelligence success--although probably by accident--was the uncovering of Benedict Arnold's conspiracy.

On the other hand, identifying Arnold's disaffection and recruiting him was a British intelligence success.

Counterintelligence in the American Revolution: Washington Quotation

On 24 March 1776 General George Washington wrote:

"There is one evil I dread, and that is, their spies. I could wish therefore, the most attentive watch be kept.... I wish a dozen or more of honest, sensible and diligent men, were employed...in order to question, cross question etc., all such persons as are unknown, and cannot give an account of themselves in a straight and satisfactory line.... I think it a matter of imnportance to prevent them from obtaining intelligence of our situation."

"The necessity of procuring good Intelligence...

Washington's Morristown Letter, 26 July 1777

After writing about his wish to have trusty persons sent to Staten Island to get intelligence about the enemy, Washington concludes:

"The necessity of procuring good Intelligence is apparent & need not be further urged-- All that remains for me to add is, that you keep the whole matter as secret as possible. For upon Secrecy, Success depends in Most Enterprizes of the kind, and for want of it, they are generally defeated, however well planned & promising a favourable issue."

Withholding Secrets from Congress, 1776

Wriston, pp 14-15

Speaking of a despatch from the American agent, Arthur Lee, in London, the Committee of Secret Correspondence (established by the Continental Congress, 29 Nov. 1775) wrote:

"Considering the nature and importance of [the despatch], we agree in opinion, that it is our indispensable duty to keep it a secret, even from Congress.... We find by fatal experience, the Congress consists of too many members to keep secrets."

Protection of Sources: 1776 Wriston p. 15

When the Continental Congress, on 10 May 1776, called upon the Committee of Secret Correspondence "to lay their proceedings before Congress Monday next," an exception was made to permit them to withhold "the names of persons they have employed or with whom they had corresponded."

President Washinton's Contingent Fund for Secret Agents.

Henry Wriston, Executive Agents in American Foreign Relations (1929) p. 695

Writing in 1929 on the use of executive agents by U.S. presidents from George Washington onward, Henry Wriston explained how the very existence of the President's "contingent fund" (provided annually by Congress) implied his power to use such agents for secret purposes in foreign relations:

"The contingent fund, from which a very large proportion of executive agents have been paid, has implicit in its very character the expectation that there is need for secret business. No other explanation is possible for the provision which appeared in the very first appropriation, allowing the President simply to state the amount of his expenditures from the fund for foreign relations without revealing either the purpose or the person to whom the money was paid. So general has been the idea that this fund was designed for secret business that it has often been called the secret service fund."

War of 1812

After the Revolutionary War the Army practically disappeared for a time, and nothing was done to maintain any kind of military intelligence capability.

In the War of 1812 the U. S. Army had little or no formal intelligence organization, although scouts were widely used for reconnaissance. The Army was small and unprofessional, and had lost even the intelligence skills developed at the strategic level in the Revolution. In the War of 1812 there was no leader with the awareness of the importance of intelligence that Washington had demonstrated. The American set-backs at Detroit and in the abortive attempt to invade Canada were part of the price the U.S. paid for poor intelligence.

Mexican War

In 1845, on the eve of the Mexican War, the U. S. Army's Quartermaster General did not know whether the Army could use wagon transportation in Mexico--and no one in Washington could tell him.

Once in the war, however, General Winfield Scott organized the Mexican Spy Scout Company under Col. Ethan Allen Hitchcock. Made up of local bandits hired on a temporary basis, the company provided information that helped Scott conquer Mexico City. The unit's operating plan was simple -- the scouts changed into civilian clothes and rode into town.

Pinkerton & McClellan

When Lincoln was elected in 1860 he hired Allen Pinkerton to protect him on the way to Washington. Pinkerton's uncovering of the "Baltimore Conspiracy" earned him Lincoln's confidence, and led to his working for General McClellan, commander of the Army of the Potomac.

Pinkerton was not notably successful at collecting military intelligence, and he left the Army of the Potomac soon after McClellan was fired. Since McClellan's greatest fault was his hesitancy to fight, and Pinkerton habitually overestimated enemy strength, theirs was an unpromising partnership from the outset.

Civil War

In the Civil War neither side was prepared for military intelligence work. Some effective work was done, and some innovations introduced, but the Civil War was not a war in which intelligence played a major part.

Allen Dulles once observed of the Civil War, "No great battles were won or lost or evaded because of superior intelligence. Intelligence operations were limited for the most part to more or less localized and temporary targets."

Prof. Lowe's Balloons in the Civil War

Aerial reconnaissance, in the form of balloon observers, was a common and fairly successful method of intelligence collection for the Union Army.

The best of the Northern balloonists was Thaddeus S. C. Lowe, who sent Lincoln a telegram describing what he could see from 500 feet above Washington, in June of 1861. (This was the first time that an electrical message had been transmitted from a balloon.)

Lincoln was impressed and got the reluctant Army to employ Lowe. Lowe was the first to adjust gunfire from the air, by telegraphing corrections to Union artillery. And Lowe was also the first effectively to use a camera from a balloon.

Lack of Army support led Lowe to leave govenment service in May 1863.

Confederate Intelligence

Although in the South as in the North there was no unified intelligence organization of effort, the Confederacy ran many effective agent operations, especially in Washington, D.C.

Union newspapers, a very productive source of intelligence for the South, were always easily available.

Civil War - Results

Although many new intelligence techniques were used in the Civil War, sometimes with excellent results, there was little effective organization, doctrine or coordination of efforts on either side. What organization was developed was completely disbanded after the war. For some 20 years Indian Scouts were the U. S. Army's only intelligence activity.

Office of Naval Intelligence, 1882

In March 1882 the Secretary of the Navy established an Office of Intelligence in the Bureau of Navigation, "to collect and record such naval information as may be useful to the Department in wartime as well as peace."

ONI mainly collected technical military information, but political reports were also sometimes submitted by naval officers abroad.

Naval Attache System Corson, P. 593

The USN sent its first naval attache to London in 1882. In 1885 an officer was assigned to Paris, with additional responsibilities for Berlin and St. Petersburg. An attache was sent to Rome in 1888, with responsibility also for Vienna.

Between the Spanish American War and the First World War the naval attache network expanded to Tokyo, Madrid, Caracas, Buenos Aires and the Hague.

Military Information Division, 1885

In 1885 the Army formed what became the Military Information Division, by detailing one officer and one clerk to file information received from embassies and newspapers.

By 1898, at the outbreak of the Spanish American War, the Military Information Division had 12 officers, 10 clerks and 2 messengers. Since 1894 it had operated on an annual budget of $3,640--which also funded 16 military attaches abroad.

Naval & Military Attache Systems: 1880s

Corson, p. 593

The formation of an attache system, by the U.S. Navy in 1882, and by the U.S. Army in 1889, provided for continuing full-time US military representatives abroad, with freedom to move in both military and diplomatic circles.

Military Attache System, 1889

In 1889 Congress approved the U. S. Army's first permanent military attache system. This was an important step toward establishing a national strategic collection effort. In fact, until about 1940 the military attache system was the backbone of the Army's peactime foreign intelligence effort.

Originally an attache was sent to each of the five major European capitals: Berlin, Vienna, Paris, London and St. Petersburg.

By the time of the Spanish-American War in 1898 military attaches were sent to 16 capitals, including Madrid.

First World War Impact on Cryptology

Kahn, MD, p. 141-2

Before 1914, codebreaking was a negligible intelligence source. The First World War demonstrated its value beyond question. Before the war only three great powers--France, Russia and Austria-Hungary--had cryptanalytic agencies. Afterward, all did. When peace returned the four great powers that had not been breaking codes before WWI--Germany, Italy, Britain and the U.S.--all retained their wartime agencies.

Cryptology thus won widespread government support and a permanent organizational existence.

Breaking the Japanese Code and the 1921
Washington Naval Disarmament Conf.

After World War I the State and War Department set up the "American Black Chamber" strategic cryptologic operation in New York, headed by Herbert Yardley. By the time of the Washington Naval Disarmament Conference in late 1921 sixteen of the Japanese diplomatic codes had been broken. A principal issue at the Washington Conference was the limitation of capital ships by a ratio between the five major naval powers, the U.S., Great Britain, Japan, France and Italy. The Japanese Government authorized its delegation to offer three positions, each to be insisted upon as long as possible before falling back to a lower ratio. The U.S. Secretary of State, having read Japan's instructions, was able to press the Japanese delegation until they reached their final position, for the famous 5: 5: 3 battleship ratio between the U.S., Great Britain and Japan.

Secretary of State Stimson
closes down the Black Chamber, 1929

In 1929 President Hoover's new Secretary of State, Henry Stimson, closed down the "Black Chamber," Herbert Yardley's cryptologic operation in New York. Stimson is alleged to have said, "Gentlemen do not read each other's mail."

An embittered and unemployed Yardley wrote his best-seller, The American Black Chamber, which covered his operations so thoroughly that 19 nations reportedly changed their code systems.

Gen. Marshall on Military Attache Intelligence before World War II

General George C. Marshall once observed that "Prior to World War II, our foreign intelligence was little more than what a military attache could learn at dinner, more or less over the coffee cups."

Results of Military
Attache System to WW II

Eisenhower, Crusade in Europe, p. 32

Writing of the War Dept's severe intelligence deficiencies before World War II, Gen. Eisenhower criticized its total reliance on military attaches for foreign intelligence. Explaining his opinion of the quality of attaches, he wrote:

". . . since public funds were not available to meet the unusual expenses of this type of duty, only officers with independent means could normally be detailed to these posts. Usually they were estimable, socially acceptable gentlemen; few knew the essentials of intelligence work."

Pearl Harbor and Surprise

Thomas. E. Schelling,
Foreword to Roberta
Wohlstetter, Pearl Harbor:
Warning and Decision (1962)

"Surprise, when it happens to a government, is likely to be a complicated, diffuse, bureaucratic thing. It includes neglect of responsibility, but also responsibility so poorly defined or so ambiguously delegated that action gets lost. It includes gaps in intelligence, but also intelligence that, like a string of pearls too precious to wear, is too sensitive to give to those who need it. It includes the alarm that fails to work, but also the alarm that has gone off so often that it has been disconnected. It includes the unalert workman, but also the one who knows he'll be chewed out by his superior if he gets higher authority out of bed. It includes the contingencies that occur to no one, but also that everyone assumes somebody else is taking care of. It includes straightforward procrastination, but also decisions protracted by internal disagreement. It includes, in addition, the inability of individual human beings to rise to the occasion until they are sure it is the occasion--which is usually too late.... Finally, as at Pearl Harbor, surpise may include some measure of genuine novelty introduced by the enemy, and possibly some sheer bad luck."

Pearl Harbor: Intelligence Failure?

R. Wohlstetter, Pearl Harbor Warning and Decision.

There is a considerable body of opinion that the cause of the Pearl Harbor disaster was not a lack of intelligence but rather the lack of a system to pull the available intelligence together and distinguish the warning signals from the surrounding noise. Tension between Japan and the United States had been building up for years, and especially since the invasion of Manchuria in 1931. In the years just before war broke out both Army and Navy intelligence organizations had focused mainly on the Japanese threat, and the U.S. had broken their major codes. In retrospect it seems clear that by November 1941 Washington had adequate evidence that Japan was preparing to attack U.S. forces somewhere in the Pacific on short notice, and probably by surprise.

Before the event, however, it was nowhere near so clear, and the best analysis of Pearl Harbor concludes that we failed to anticipate the Japanese attack "not for want of relevant materials, but because of a plethora of irrelevant ones." And even if the signals had been correctly interpreted as warning of imminent danger from Japan, there were still very large problems in determining exactly what specific danger was imminent, and what specific action should follow. All this would have been difficult at best, and in fact the small, fragmented and competing American intelligence organizations failed to collect, identify and interpret the relevant signals to provide a warning that those at the top could act on.

The United States flunked these tests on 7 December 1941 and since then the fear of another Pearl Harbor has been an extraordinarily powerful argument for a permanent and professional central intelligence organization in peacetime. There were continual allusions to Pearl Harbor in the discussions and debates surrounding the formation of CIA in 1947, and not much has happened since then to give the American people less reason to fear surprise attack.

Contributions of Codebreaking to Pacific War

Kahn, MD, p. 147

Although American success in breaking Japanese codes did not prevent Pearl Harbor, this form of intelligence made great contributions to our war against Japan. As Admiral Nimitz said later, the Battle of Midway--the turning point in the war--was "essentially a victory of intelligence. In attempting surprise, they themselves were surprised." Because of codebreaking, General Marshall observed, "We were able to concentrate our forces to meet their naval advance on Midway when otherwise we would almost certainly have been some 3000 miles out of place."

Communications intelligence contributed in two other major ways to Pacific Victory. It stepped up American submarine sinkings of Japanese merchant shipping by one-third, and it made possible the dramatic mid-air assassination of Admiral Yamamoto in 1943.

Donovan and the Formation of COI, 1941

In 1940-41 President Roosevelt had sent William J. Donovan, a World War I Medal of Honor winner and influential Wall Street lawyer, on a fact-finding mission to assess the war in Europe and the chances of Great Britain. On his return Donovan reported, among other things, that the British had an important advantage in a coordinated intelligence, propaganda and special operations effort. He pointed out that American intelligence was being collected and handled by at least eight agencies: Army G-2, ONI, FBI, State, Secret Service, Customs Service, Immigration Service and FCC.

Donovan proposed a single agency to coordinate all intelligence and counterpropaganda, and to conduct training for sabotage and subversion.

On 11 July 1941--five months before Pearl Harbor--Roosevelt appointed Donovan Coordinator of Information (COI), with a mission "To collect and analyze all information and data which may bear on national security, to correlate such information and data...and to carry out when requested by the President such supplementary activities as may facilitate the securing of information important for national security...."

The COI reported directly to the President, and not surprisingly both the Army G-2 and ONI objected strenuously to the new organization.

Donovan and Formation of OSS, 1942

In the summer of 1942 COI was reorganized into a new Office of Strategic Services--OSS. COI's "white" foreign propaganda functions were given to the new Office of War Information, while OSS retained COI's responsibility for "black" propaganda, for collecting and analysing strategic intelligence, and for training and organizing for unconventional operations. Donovan was appointed Director of OSS, and instead of reporting directly to the President, OSS was placed under the operational control of the Joint Chiefs of Staff.

In many respects OSS was created to have an opposite number to cooperate with British intelligence, just as the JCS was created to have an opposite number for the British Chiefs of Staff Committee. The British were the most important influence on the evolution of OSS, which operated principally in Europe and Southeast Asia, where Britain was also committed.

Formation of OSS 1942

Mark Lowenthal U.S. Intelligence, p. 9

Under charter of 13 June 1942 COI was renamed OSS and placed under JCS jurisdiction to "collect and analyse such strategic information" as JCS required, and to "plan and operate such special services" as they directed.

Notes OSS handicaps:

1. Continuing competition with other agencies and intelligence producers (especially FBI and Army's G-2)

2. As part of JCS organization, OSS had to compete with Joint Intelligence Committee (JIC), which had been created to fill JCS needs.

3. JCS members never convinced of utility of subversion, propaganda and resistance groups. (British stressed these efforts in 1940-41; US planners rejected them as too indirect and merely a product of British limited military capabilities--assumed the British were making a virtue out of necessity.)

(It was in fact the British model that was most influential in the establishment of OSS, and most of original operational expertise came from the British.)

OSS compared to British Intelligence Orgns

Eliz. Barker, TLS 12/2/83 Review of B.F.Smith, Shadow Warriors

"The OSS was the American equivalent of at least four British organizations operating in the Second World War: MI6 or the Secret Intelligence Service; SOE (the Special Operations Executive); PWE (the Political Warfare Executive); and the Foreign Office Research Department, composed of distinguished academics and retired ambassadors."

Formation of OSS 1942

Mark Lowenthal U.S. Intelligence, p. 8

On war as great simplifier for policy decisions and functions--larger issues of friend and foe, and goals become simpler than in peacetime.

"Intelligence is urgently needed in war, but wartime is not necessarily the best period for an intelligence to develop."

OSS Organization

OSS was organized into the following branches:

A. Research & Analysis (R&A): provided economic, social and political analyses.
B. Secret Intelligence (SI): engaged in clandestine collection from within enemy and neutral territory.
C. Special Operations (SO): conducted sabotage and worked with resistance forces.
D. Counterespionage (X-2): engaged in protecting U.S. and Allied intelligence operations from enemy penetrations.
E. Morale Operations (MO): responsible for covert or "black" propaganda.
F. Operational Groups (OG): conducted guerrilla operations in enemy territory.
G. Maritime Unit (MU): carried out maritime sabotage.

OSS in World War II:
Research & Analysis

The U.S. had never before had an organization like OSS's Research and Analysis Branch. Headed by the historian William Langer of Harvard, it brought together scholars and experts from a host of disciplines, who formed the first organization for the coordination and production of strategic intelligence.

Corey Ford, in Donovan of O.S.S. writes:

"...the Research and Analysis branch was the very core of the agency. The cloak-and-dagger exploits of agents infiltrated behind the lines captured the public imagination; but the prosaic and colorless grubbing of Dr. Langer's scientists, largely overlooked by the press, provided far and away the greater contribution to America's wartime intelligence. From the files of foreign newspapers, from obscure technical journals, from reports of international business firms and labor organizations, they extracted the pertinent figures and data. With infinite patience, they fitted the facts together into a mosaic of information...on which the President and his Chiefs of Staff could form their operational decisions."

OSS R & A Branch and Area Studies

McGeorge Bundy in The Dimensions of Diplomacy (1964)

"It is a curious fact of academic history that the first great center of area studies in the United States was not located in any university, but in Washington, during the Second World War, in the Office of Strategic Services. In very large measure the area study programs developed in American universities in the years after the war were manned, directed, or stimulated by graduates of the OSS--a remarkable institution, half cops-and-robbers and half faculty meeting."

Contribution of OSS in World War II

Mark Lowenthal, U.S. Intelligence, p. 9-10

"The overall contribution of OSS to the allied war effort was modest."

1. R&A assembled impressive array of talent, produced some excellent studies and analyses--but OSS only one of seven major intelligence producers.

2. There were nearly a dozen joint intelligence groups with specific fuctions or areas of expertise, as well as other less important efforts in other agencies or groups.

3. Little coordination of all these efforts, and competition was promoted rather than controlled or channelled toward specific results.

4. Absence of any regular lines of reporting & disseminating information also minimized the OSS role as intelligence producer--especially for president and his top advisers.

N.B. OSS postwar emphasis on more glamorous operational aspects of its work also helped undercut an understanding of its role as intelligence producer.

OSS Contributions to WWII: No role in MAGIC — Lowenthal, U.S. Intelligence, p. 9-10

One important US intelligence contribution to conduct WWII was impact of the MAGIC translations of decoded Japse messages on Pacific naval battles.

NB. OSS had no role in MAGIC for Pacific--nor any except cooperating (and receiving) role in British ULTRA decoding.

US clandestine collection in Europe and Far East was of no great consequence.

Legacy of OSS

Lowenthal, U.S. Intelligence, p. 10

In spite of uneven record in WWII effort, OSS created many traditions in US intelligence:

1. Important training ground for a generation of intelligence personnel, both operators and analysts

2. Provided an esprit, which those who stayed in intelligence work carried with them.

3. Established a tradition of housing analysis and operations in the same organization. (And OSS activities demonstrated some of the underlying tensions between these two aspects of intelligence.)

Donovan: OSS Lesson for postwar intell. organization Lowenthal, U.S. Intelligence, p. 10

OSS's difficulties in establishing a clear role for itself strengthened Donovan's conviction that a peacetime (civilian and central) successor intelligence organization should be responsible to the president.

(In this Donovan aroused opposition of military, who wanted a committee that would report to Secretaries of War, Navy and State, not to the president.)

Donovan's Proposal for a Postwar Central Intelligence Organization, 1944

In 1944 General Donovan prepared a long memorandum for President Roosevelt proposing that OSS be used as the nucleus for a permanent, centralized national intelligence organization. "Once our enemies are defeated," he wrote, "the demand will be equally pressing for information that will aid us in solving the problems of peace."

Donovan's plan outlined three principles that should govern a peacetime central intelligence organization:

A. The supervision of this central agency should be accomplished by the President;
B. It should have central authority to oversee the entire national intelligence effort;
C. It should have no police or law enforcement powers.

Although neither Roosevelt nor Truman accepted Donovan's proposal, these three principles were in fact incorporated in the National Security Act of 1947 that created CIA.

Demise of OSS: 1 Oct. 1945

Lowenthal, U.S. Intelligence, p. 12

OSS was one of first casualties of rapid postwar demobilization

Bureau of the Budget recommended a return to departmental rather than central intelligence, with an interdepartmental committee for coordination.

In an order signed 20 September 1945, President Truman ordered termination of OSS operations effective 1 October 1945.

OSS Surviving Components (R&A, SI & X-2) Lowenthal, U.S. Intelligence, p. 12

1. Research & Analysis (R&A) went to State Dept., where it was joined with other units to form the Interim Research and Intelligence Service. (Pres. Truman hoped that State Dept. would "take the lead" in coordinating intelligence.)

2. Secret Intelligence (SI--clandestine collection) and X-2 (counterespionage) went to the War Dept., which combined them into the Strategic Services Unit (SSU), headed by General Donovan's former deputy, General Magruder.

All three surviving branches continued their previous activities.

Dissolution of OSS, 1 October 1945

Soon after V.J. Day President Truman, by Executive Order 9621 of 20 September 1945,, dissolved the Office of Strategic Services, effective 1 October 1945. The Research and Analysis Branch (R&A) was transferred to the Department of State, while the War Department got the Secret Intelligence (SI) and X-2 (counterintelligence) branches, and whatever else was left over after demobilization.

Since the OSS paramilitary services phased out rapidly, what the Army got was an independent organization, named the Strategic Services Unit (SSU), which contained mainly espionage and counterespionage elements.

General Donovan retired to civilian life, and his deputy, General Magruder briefly headed SSU. William Langer took R&A to the State Department before returning to Harvard.

Central Intelligence Group, January 1946

On 22 January 1946, less than four months after the dissolution of OSS, President Truman, by presidential directive, established a National Intelligence Authority (NIA) made up of the Secretaries of State, War and Navy, along with the president's personal representative, Admiral William D. Leahy. This NIA was responsible for a new coordinating body, to be called the Central Intelligence Group (CIG). Staff and funds for CIG were to come from the departments of State, War and Navy, and these departments continued to maintain their own autonomous intelligence services. CIG was expected to reassemble some analysts--the original plan was for about 80--to process intelligence from other agencies.

Sidney Souers, a Missouri friend of Harry Truman who had served with distinction as a reserve rear admiral in ONI during the war, was the first Director of Central Intelligence--the title for the head of CIG. Within six months Lt. General Hoyt Vandenberg succeeded Souers, serving till May 1947. Vandenberg was succeeded by Rear Admiral Roscoe Hillenkoetter, who remained DCI until 1950 after the formation of CIA in September 1947.

Creation of CIA
National Security Act of 1947

Since CIG was not an independent central intelligence organization, the question of centralization versus confederation became part of the larger debate on the unification of the armed forces. The National Security Act of July 1947, which created the National Security Council, an independent Air Force and what became the Department of Defense, also provided for a permanent and independent civilian Central Intelligence Agency.

The sections of the act concerning CIA had a good deal of similarity to the concept of Donovan's original OSS charter and his 1944 memorandum proposing a central intelligence organization to President Roosevelt. Its language in many respects also closely followed the directive setting up CIG, most notably in its omnibus provision that the CIA should "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may form time to time direct." This clause has been the legislative basis for a number of important CIA missions--most notably covert action--that are not specifically mentioned in the act.

U. S. Bias against Spies

In 1973 a U. S. Army history of Military Intelligence observed:

"Throughout U. S. military history it can be seen that intelligence capabilities for wartime spring from a nucleus of counterintelligence. Between wars, what little intelligence was preserved was normally only defensive in nature, at least until the time of the Cold War Era. While the reason for this is not entirely clear, it could be hypothesized that American traditionally abhor 'spies' or 'spying' and that it reflects the public will that only 'counterspies' are acceptable in peacetime."